S. Hrg. 100-548

TONGASS TIMBER REFORM ACT

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
PUBLIC LANDS, NATIONAL PARKS AND FORESTS

OF THE

COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

S. 708

TO REQUIRE ANNUAL APPROPRIATIONS OF FUNDS TO SUPPORT TIMBER MANAGEMENT AND RESOURCE CONSERVATION ON THE TONGASS NATIONAL FOREST

NOVEMBER 3 AND 5, 1987

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CONTENTS

Page

S. 708 6

Hearings:

- November 3, 1987 1
- November 5, 1987 187

TUESDAY, NOVEMBER 3, 1987

STATEMENTS

Beck, Hon. Thomas, mayor, Thorne Bay, AK, on behalf of the Southeast Conference, accompanied by William Privett, former mayor, Wrangell, AK 169

Bumpers, Hon. Dale, a U.S. Senator from the State of Arkansas 8

Laschever, Eric S., associate director for fisheries and the environment, Alaska Governor's Office 153

Mrazek, Hon. Robert J., a U.S. Representative from the State of New York 36

Murkowski, Hon. Frank H., a U.S. Senator from the State of Alaska 12

Privett, William, former mayor, Wrangell, AK 181

Proxmire, Hon. William, a U.S. Senator from the State of Wisconsin 62

Regula, Hon. Ralph, a U.S. Representative from the State of Ohio 29

Robertson, F. Dale, Chief, Forest Service, Department of Agriculture, accompanied by Mike Barton, regional forester for Alaska 123

Stevens, Hon. Ted, a U.S. Senator from the State of Alaska 16

Wirth, Hon. Timothy E., a U.S. Senator from the State of Colorado 1

THURSDAY, NOVEMBER 5, 1987

STATEMENTS

Clark, Jim, general counsel, Alaska Loggers Association, Juneau, AK 465

Engel, Gerry, resource manager, Chilkoot Lumber Co., as presented by Don Finney 421

Finney, Don, manager, Alaska Loggers Association 382

Fowler, Hon. Wyche, Jr., a U.S. Senator from the State of Georgia 187

Kaden, Bonnie, Tongass Tourism & Recreation Business Association 314

Mehrkens, Joseph R., economist, the Wilderness Society 232

Metcalf, K.J., Southeast Alaska Conservation Council, Angoon, AK, accompanied by Sylvia Geraghty, Alaskans for Responsible Resource Management, Tokeen, AK 251

Murkowski, Hon. Frank H., a U.S. Senator from the State of Alaska 188

Newport, Carl, Timber economist, Mason, Bruce & Girard, Inc., Portland, OR 399

Pihl, Martin R., general manager, Ketchikan Pulp Co., Ketchikan, AK 428

Rey, Mark, vice president, Public Forestry Programs, on behalf of the National Forest Products Association 441

Schoen, Dr. John W., the Wildlife Society, Juneau, AK 211

Sever, Florian, Sitka, AK 333

Wirth, Hon. Timothy E., a U.S. Senator from the State of Colorado 206

Williams, Gordon, Alaska Trollers Association, Angoon, AK, accompanied by Bonnie Kaden 304

Yost, Reuben, member of the city council, Pelican, AK 322

APPENDIXES

APPENDIX I

Page
Responses to additional committee questions 483

APPENDIX II

Additional material submitted for the record 597

TONGASS TIMBER REFORM ACT

TUESDAY, NOVEMBER 3, 1987

U.S. SENATE,
SUBCOMMITTEE ON PUBLIC LANDS,
NATIONAL PARKS AND FORESTS,
COMMITTEE ON ENERGY AND NATURAL RESOURCES
Washington, DC.

The subcommittee met, pursuant to notice, at 2:40 p.m. in room SD-366, Dirksen Senate Office Building, Hon. Timothy E. Wirth, presiding.

OPENING STATEMENT OF HON. TIMOTHY E. WIRTH, A U.S. SENATOR FROM THE STATE OF COLORADO

Senator WIRTH. If the committee would come to order, today we begin the first of 2 days of hearings on the management of what is perhaps the most spectacular national forest in the Nation.

The Tongass is flanked on the east by stunning mountain ranges along the border with Canada and on the west by some of the most remarkable coast line to be seen anyplace in the world.

The Tongass supports one of the most magnificent stands of virgin rain forests found anywhere on earth, a resource that, as we all know, is fast disappearing.

Many fish and wildlife species depend on that old growth forest. The Tongass provides habitat for 10,000 bald eagles of breeding age, several species of salmon, and greater concentrations of grizzly bears than are found anywhere else in the Nation. This is a national asset, truly a precious national asset.

It is also a very fragile ecosystem, for it would take 250 years or more to replace the old growth forests that are being cut down every year. I have no doubt that the Tongass can support a number of uses, including logging, but I have grave doubts whether it is in the national interest to spend tens of millions of dollars to subsidize the replacement of these old growth stands.

That is why I offered an amendment a month ago when the committee was searching for ways to reduce spending that would make all funding for the Tongass National Forest subject to the regular appropriations process.

After a long series of discussions with Senator Johnston and others, we worked out a compromise that was acceptable to all the parties. It makes funding subject to the appropriations process during this and the next fiscal year.

As part of these discussions, the Chairman offered to schedule these hearings, and I think that that was an appropriate process for us to be pursuing.

I look forward to hearing all of the testimony from our very distinguished witnesses and recognize first the distinguished subcommittee chairman, the Senator from Arkansas, Mr. Bumpers.

[The prepared statement of Senator Wirth and the text of S. 708 follows:]

Statement of the
Honorable Timothy E. Wirth

Concerning S. 708, To require Annual Appropriations of Funds to Support Timber Management and Resource Conservation on the Tongass National Forest

November 3, 1987

Mr. Chairman, I want to thank you for scheduling these two days of hearings on the management of what is perhaps the most spectacular national forest in the Nation. The Tongass is flanked on the East by stunning mountain ranges along the border with Canada, and on the west by some of the most remarkable coast line to be seen any place in the world. The Tongass supports one of the most significant stands of virgin rain forest found anywhere on Earth -- a resource that is fast disappearing. Many fish and wildlife species depend on that old growth forest. The Tongass provides habitat for 10,000 bald eagles of breeding age, several species of salmon, and greater concentrations of grizzly bears than are found anywhere else in the Nation.

This is a national asset, Mr. Chairman, and it is a truly precious national asset. It is also a very fragile ecosystem -- where it would take 250 years or more to replace the old growth forests that are being cut down every year. I have no doubt that the Tongass can support a number of uses, including logging. But I have grave doubts about whether it is in the national interest to spend tens of millions of dollars to subsidize the replacement of these old growth stands.

That is why I offered an amendment a month ago, when the Energy and Natural Resources Committee was searching for ways to reduce spending for the next fiscal year, that would have made all funding for the Tongass National Forest subject to the regular appropriations process. After a long series of discussions with Senator Johnston and others, we worked out a compromise that was acceptable to all of the parties -- and which makes funding subject to the appropriations process during this and the next fiscal year.

As part of those discussions, you offered to schedule these hearings, and that was very important, Mr. Chairman. While we agreed that the provisions included in the reconciliation legislation do not express either support or opposition to the legislation we are considering today, we also agreed that these hearings are essential.

Over the next several days, we will be hearing from an impressive group of witnesses. I am looking forward to asking all of them the tough questions that I believe need to be asked.

How much money is the Congress spending every year on the Tongass, and what are we getting for those investments. How much timber is being harvested, and at what cost to the Treasury and the environment. What indirect subsidies are we providing for timber harvest in the Tongass. And exactly what are the costs to the Tongass ecosystem of a statutory land management plan that is a consistent money loser.

Once again, Mr. Chairman, I want to thank you for scheduling these hearings, and I want to welcome our distinguished colleagues to this hearing.

II

100TH CONGRESS
1ST SESSION

S. 708

To require annual appropriations of funds to support timber management and resource conservation on the Tongass National Forest.

IN THE SENATE OF THE UNITED STATES

MARCH 10, 1987

Mr. PROXMIRE introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

---

A BILL

To require annual appropriations of funds to support timber management and resource conservation on the Tongass National Forest.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tongass Timber Reform Act".

SEC. 2. ANNUAL APPROPRIATIONS FOR TIMBER MANAGEMENT AND RESOURCE CONSERVATION ON THE TONGASS NATIONAL FOREST.

Section 705(a) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 539d(a)) is hereby repealed, effective October 1, 1987.

SEC. 3. IDENTIFICATION OF LANDS UNSUITABLE FOR TIMBER PRODUCTION.

Section 705(d) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 539d(d)) is hereby repealed.

SEC. 4. REPORT ON ADEQUACY OF TIMBER SUPPLY.

The second sentence of section 706(a) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 539e(a)) is hereby repealed.

SEC. 5. STATUS OF TONGASS NATIONAL FOREST.

Section 706(b) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 539e(b)) is amended—

(1) by striking out "and (4)" and inserting in lieu thereof "(4)"; and

(2) by striking out the period at the end of such section and inserting in lieu thereof ", and (5) the impact of timber management on subsistence resources, wildlife, and fisheries habitats.".

STATEMENT OF HON. DALE BUMPERS, A U.S. SENATOR FROM THE STATE OF ARKANSAS

Senator **Bumpers**. Mr. Chairman, in the interest of time I will ask unanimous consent that my statement be inserted in the record.

Senator **Wirth**. Without objection, so ordered.

[The prepared statement of Senator Bumpers follows:]

STATEMENT BY THE HONORABLE DALE BUMPERS

The purpose of the hearing today is to receive testimony on S. 708, a measure currently pending before the Public Lands, National Parks and Forests Subcommittee, which would require an annual appropriation of funds to support timber management on the Tongass National Forest in Alaska. The bill would also require the Forest Service to identify lands unsuitable for timber production on the Forest and prohibit harvesting in such areas as is the case on other national forests.

At 17 million acres, the Tongass is the nation's largest national forest. Within its boundaries are North America's last remaining rainforest, centuries-old spruce and hemlock trees, lush ferns, spongy mosses, alpine meadows, fjords, and thousands of lakes and streams. The Tongass is also host to a wide variety of fish and wildlife, including brown bears, deer, moose, wolves, seals, sealions, ravens, bald eagles, a large and thriving population of grizzly bears, and rich concentrations of salmon.

The abundance of the Tongass's natural resources brings with it conflicts over how those resources are to be managed. Fishermen, hikers, campers, hunters, guides and loggers all compete for the use of the Forest's resources. But no conflict has been more contentious than the debate over the extent of timber harvesting on the Tongass.

Over the last 50 years, the Forest Service, often with the assistance of Congress, has encouraged the development of a timber industry in Southeast Alaska as an inducement for employment and population growth. In the 1950's, long term contracts were signed which allow three forest product companies to harvest billions of board feet of timber on the Tongass over 50 years, with the understanding that each company would build a pulp mill in the area. Today, two pulp mills have been built and two contracts remain in force. Of the 13 billion board feet originally committed in those two contracts, over 7 billion board feet remains to be harvested.

In 1980, Congress passed the Alaska National Interest Lands Conservation Act (ANILCA) which designated 5.4 million acres of wilderness on the Tongass. In an attempt to compensate the local Southeastern economy for the potential loss of jobs and income due to wilderness withdrawals, ANILCA also established a permanent annual appropriation of at least $40 million to maintain a 4.5 billion board feet timber harvest per decade. The Act also exempted the Tongass from requirements found in the National Forest Management Act applicable to all other forests to classify lands unsuitable for timber production and prohibit harvesting in those areas.

Today, in consideration of S. 708, we are reviewing some of the decisions Congress has made regarding the Tongass National Forest. While I realize that there are those who feel that compromises made when ANILCA was passed should not be revisited, I feel that it is entirely appropriate to review a decision that Congress made almost 7 years ago. In my view, we need to reevaluate that decision in the light of current budget realities and in view of the impacts that such a decision may have had on the natural resources of the Tongass.

I would like to welcome all the witnesses today, especially those who have come all the way from Alaska to share their views with us. We particularly appreciate the input of those who would be most directly affected by decisions made on the Tongass.

At this point, I would like to place copies of the measure into the hearing record. The record will remain open for two weeks to receive additional comments and materials.

Senator WIRTH. Senator Murkowski.

STATEMENT OF HON. FRANK H. MURKOWSKI, A U.S. SENATOR FROM THE STATE OF ALASKA

Senator MURKOWSKI. Thank you, Mr. Chairman.

Obviously we have some sensitivity to this particular hearing. Mr. Chairman, I think it is fair to say that if you examine the legislations closely, you will see as I do that it is very little more than an attack on a very important segment of Alaska's industry, namely, the timber industry, which is the life blood of southeastern Alaska.

How do you put a price tag on forests? On the one hand, there are the lives of the individual citizens to be considered, the people employed in the mills, their families, the communities they support.

On the other hand, there is the high aesthetic value of the pristine timberland that provides homes to the countless species of wildlife in the area.

With these two basic interests at stake, it is no wonder that Congress has attached a dollar figure to the designation of wilderness. The price has certainly been high.

I think as we address the testimony that is going to take place here today, Mr. Chairman, it is important to keep things in perspective. There are 17 million acres in the Tongass. The forested portion of the Tongass is 9.6 million acres. The total wilderness in the Tongass is 5.4 million acres.

Commercial timberlands, namely commercial timber capable of growing at least 20 cubic feet of wood per acre per year, is 5.9 million acres.

Commercial timberland suitable for harvest is 3 million acres. The Forest Service deems some of this land as unsuitable because of unusually difficult access and soil difficulties.

Commercial suitable timberland in wilderness, timberland which is placed in wilderness as a consequence of ANILCA, is 1.3 million acres.

Commercial suitable timberland available for harvest, which is what we are talking about, Mr. Chairman, is 1.75 million acres, less than 11 percent of the Tongass or one-tenth of one percent each year over a 100 year cycle.

So I think that is important to keep in mind as we reflect on the merits of the Tongass and the reality that we can have wilderness, we can have a healthy timber industry, and we can have the interests which all Alaskans share in the ecology and the environment and the pristine wilderness of the area.

Now, those who support this legislation simply do not want to see trees cut in the Tongass National Forest. They would like to preserve as much of the forest as possible so that they could have the opportunity in the future to trade Alaskan jobs for more wilderness.

To do that is basically to renege on a Federal commitment made long ago to the people of a portion of my state and force them to pay for the public cost of wilderness with their jobs.

In 1950, the salmon and gold-based economy of southeastern Alaska was in serious decline. At that time, the Alaska territorial government and the Federal Government made a commitment to the people of that region to promote their economy through the development of a timber industry.

The Federal commitment—and it was a commitment to southeastern Alaska—was not unlike earlier Federal programs such as the railroads, the Bonneville power, the Erie Canal, the TVA Authority, rural electrification, and so forth. Many of my colleagues' states obviously got their start from government assistance.

As part of this effort, the Federal Government negotiated long-term contracts allowing for the construction of two pulp mills and a saw mill. It also required those who were manufacturing from the Tongass to undergo a primary manufacturing application before any of the products could be exported from Alaska.

As a direct result of these actions which were to stimulate employment, the timber industry quickly became a dominant source of employment and community stability in southeastern Alaska.

In 1986, at the tail end of a worldwide depression in timber markets, the industry continued to dominate the economy of southeastern Alaska. It accounted for over 3,000 jobs and some additional 3,000 indirect jobs and more than $80 million in earnings.

I think those of you on the Energy Committee who had an opportunity to tour a good portion of southeastern Alaska and be there on floats for hours at a time have some idea of the area.

In the 10 years prior to 1986, the timber industry in southeast Alaska accounted for an average of $112 million in annual earnings. The two pulp mills in Ketchikan and Sitka made the greatest contribution to economic and community stability in the region. Not only do they provide year-round employment and major contributions in local tax dollars, but they provide a market for the 50 percent of the timber harvest that is not of sawed log quality. This is important, and most people overlook it.

One has to ask oneself what would happen to that 50 percent if there were not the availability of the pulp mills, because that 50 percent is little more than wood fiber. It has no other basic utilization in the current markets today as round log export or as manufactured timber product. Basically, it is overgrown, it is not healthy, and it is in the process of decay.

The mills have struggled in recent years as a result of depressed timber prices, but with improved markets they are coming back strong and perform a very critical role by providing the southeast Alaskan timber industry with a market for its pulp grade timber. I think the Forest Service has been the first to admit that good forest management practices dictate some utilization of this vast amount of timber.

Now, keep in mind, Mr. Chairman, that we are not talking about logging all of Tongass by any means.

When Congress passed ANILCA in 1980, an attempt was made to balance the demands for wilderness and timber supply within the Tongass National Forest. One desire was for preservation of specific areas through wilderness designation. Another was for timber supply to help keep the communities alive.

A compromise was struck. As I have indicated, 5.4 million acres was designated wilderness, removing substantial amounts of commercial timber from harvest, and the Tongass Timber Supply Fund was established to enable pre-ANILCA harvest levels to be maintained on a sustained yield basis from the reduced timber base. Of the 5.7 million acres of commercial forest land in the Tongass, 3.7 are restricted to wilderness or other uses.

Again, the timber on the 2 million acres still available for harvest is generally of lower economic value than the timber that has been set aside.

ANILCA increased the annual average funding for the Tongass timber program by about one-third to make these 2 million acres economically equivalent to lands that are no longer available. I might add, those other lands were much more accessible.

It further mandated $40 million annually in an appropriation as a combination of the existing program in 1979 with the added investment needed to offset increased costs of harvesting lower quality timber stands left after wilderness designation. This funding was necessary to maintain a timber harvest pre-ANILCA level at 4.5 billion board feet per decade.

Congress specifically removed the Tongass from the annual appropriation process, Mr. Chairman. This was the insulation of jobs guaranteed from the risk of a back door assault by environmental interests that are here today, groups advocating insufficient funding in the two appropriations committees.

It was felt that once wilderness was designated and taken off the table as an issue, the jobs funding program should also be taken off the table. Those who support this legislation claim they are not opposed to logging in the Tongass; they only want to improve the economics. Unfortunately, they tend to ignore history when making their economic analysis.

Congress never intended the Tongass Timber Supply Fund to be a moneymaker for the Federal Treasury. Rather, the fund was established to compensate for placing nearly 6 million acres of the Tongass Forest in wilderness.

In other words, the Tongass Timber Supply Fund is the cost of the taxpayer of a decision to designate one-third of the Tongass as wilderness. It is, indeed, Mr. Chairman, the price of wilderness.

When we consider legislation to amend the Tongass compromise, we should consider carefully whether it will undermine the delicate balance which is necessary to assume continuation of employment opportunities, promote community stability, insure continued diversification of the region's economy, and continue the commitment of supplying the full range of goods and services from the Tongass National Forest.

The amount of funding, the timber volume and the wilderness designation included in ANILCA were based on information from the 1979 Tongass Land Management Plan, the very first forest plan to be produced by the Forest Service.

The great amount of information about the Tongass Forest and its users has been gathered since 1979, and the Tongass Land Management Plan is due for revision based on this information. The Tongass Land Management Plan revision process should provide us with improved information about the resources and the capabilities of the Tongass and about demands for those resources.

We should wait until this information is available before making legislative changes that could destroy the economy of a portion of my state. The issues involved in the legislation presented for discussion here today, Mr. Chairman, are complex and factually bound.

As is all too often the case, Alaskans must come to Washington again, tell their story, and set aside the rhetoric of those who do not live in or understand Alaska, defending themselves against special interest groups who would destroy their livelihood and threaten their existence.

This is a heavy burden to place on these people. As their government, we should at least do them the courtesy of keeping our word, and we have hardly done that.

In addition, to be completely fair to the people of southeastern Alaska, our considerations of this legislation must include field hearings in their own individual communities. The value of a timber economy to southeastern Alaska cannot be disputed. I am sure that this committee in the studies that are now being completed will find the Tongass timber program provides a benefit to the Federal Government and a multiple benefit to the economy of southeastern Alaska that runs into the hundreds of millions of dollars.

I would urge this subcommittee to study this matter closely and to challenge all factual assertions that are made. If we give this matter the careful attention it deserves, we will find that the Tongass timber program is truly worth the money invested in it.

I think it is interesting, in conclusion, Mr. Chairman, to reflect on the public sentiment in southeastern Alaska on the Tongass Timber Reform Bill. Later today, two witnesses, the Mayor of Thorne Bay and the former Mayor of Wrangell, will testify in opposition to this legislation on behalf of their communities and the Southeast Conference.

The Southeast Conference is an organization of municipalities representing more than 95 percent of the population of southeast Alaska.

On the other hand, as appropriate, the committee will hear from the gentleman from New York, whose bill 14 communities in southeastern Alaska support. The total population of these 14 communities is less than 5 percent of the population of southeastern Alaska.

I would ask my colleagues and particularly the gentlemen from New York or Ohio if they would introduce and support legislation to close down a major industry in their district at the request of 5 percent of the population.

I thank the Chair.

Senator WIRTH. I thank you, Senator Murkowski.

Our first witness this afternoon is the Honorable Ted Stevens, the senior Senator from the State of Alaska and the former very distinguished member of this committee.

Senator Stevens, thank you for joining us.

STATEMENT OF HON. TED STEVENS, A U.S. SENATOR FROM THE STATE OF ALASKA

Senator STEVENS. Thank you, Mr. Chairman, and in the interest of time, in view of my colleague's statement, I would like to ask that you place my statement in the record as though read and let me make just a few minutes' comments.

Senator WIRTH. No objection.

Senator STEVENS. I thank Senator Murkowski for his statement. I support what he has said.

I come at this from a different historical perspective, however. I can recall sitting around the table in this room when we tried to settle the Alaskan Native land claims, which we did in 1971. Part of the price for doing that was section 17(d)(2) of the Land Claim Settlement Act, which mandated a study of Alaskan lands to see which lands should be set aside in the national interest.

We had in the (d)(2) legislation, as we called it, seven years of very intense debate. That culminated, really, in 1980 with the Alaska Lands Act.

Few people, however, really recall that it terminated in 1978 when I was prepared to accept a compromise and that compromise was blocked in the very literally last minutes of the Congress.

That compromise, which was offered by some of the people in this room here today, would have withdrawn 2.9 million acres of southeastern Alaska as wilderness. When that bill was blocked, in punishment, literally in punishment of the action taken by one of the representatives of Alaska, the wilderness in the next bill, which was passed in 1980, was more than doubled.

We now have in place in Alaska more wilderness than any other state in the union. Eighty percent of all wilderness in the United States is in Alaska now.

Now, I come before you as one who has served almost 20 years now for Alaska, and I say to you and urge all of you, do not try to tell us that you are talking economics if you are talking wilderness. Do not tell us you want to change this in order to save the taxpayers $40 million if what you really want to do is stop cutting timber in southeastern Alaska.

In 1980, there was a compromise made. It was not my compromise. It was offered to this committee by some of the people who are here today as a fair compromise. The compromise was let us double the amount of acreage that is withdrawn from the Tongass as wilderness, and we will take the appropriations for the Tongass off budget; will guarantee that there will be no less than $40 million a year for permanent improvement of the production of the Tongass; and we will make a further commitment to you.

We will commit to you that on a 10-year average there will be sufficient timber to maintain that timber economy. It will be available for cutting on a 10-year basis. We will put it right in the law, they said, and the money will protect it because it will be off budget.

We went along with that compromise. We trusted the people here in the Congress who accepted that and told us while your timber industry will never be permitted to expand, we pledge to you enough timber to maintain it in the situation it is in today.

Now, what has happened since 1980 is there has been a very poor timber economy. During this period, we have had a very bad reading, really, of the compromise. Now because of the change in the dollar primarily, the timber market is coming back as far as the export market is concerned. Too many people are looking at that $40 million and saying, oh, we can save this $40 million.

Let me parenthetically say that we cooperated with Senator Johnston, the Chairman of this committee and also the Chairman of the Appropriations Subcommittee in terms of this change that has been made for the purpose of enabling his committees to comply with the Budget Act this year. That is for two years and two years only that we have agreed to the change of the Tongass timber funding because of budgetary considerations. That is not because of any consideration of your bill, Mr. Chairman, or any other proposal that is before us.

In that industry that was guaranteed the right to continue to exist, there was not enough timber to ever allow any expansion of it. Historically, we know that we will never expand. It is a limited portion of the economy of southeastern Alaska, but it is definitely one of the major blocks of southeastern Alaska and, therefore, one of the total blocks of the State of Alaska, economically speaking.

Now, while I did not like it too well, I was one who went home and said, you know, these people have offered us a deal. They are honorable people. They have made three basic commitments: One, they will guarantee sufficient timber to keep this economy alive.

Two, they guarantee that the money that is put up will be off budget, will not be subject to annual appropriations.

Three, they have guaranteed 10 years of operation, at which time we will have a review of this to see how it is working. At that time, they will come up with another plan. We may face request for more wilderness. We may face a suggestion that maybe some should come out of wilderness at that time.

It was, however, a 10-year period. Now we are here, and we have many people who I know and respect who are now becoming instant experts on southeastern Alaska. Now, I went along, Mr. Chairman, with the compromise that was offered previously, and we accepted that as a genuine compromise. I really take umbrage at those who are going to appear here and suggest to you that this has not worked.

We are dealing with a forest in which the cutting cycle is 110 years. The $40 million that was put up this year has as much to do with the timber that is cut 110 years from now as it does with what is cut 10 years from now. It has little to do with what is cut next year or the following year or the following year.

Those people who think they are going to stop cutting timber by cutting the $40 million are wrong. They are cutting the future of America in an area that was set aside for perpetual timber production in the best interests of this country. To put it all in wilderness now is to make the judgment that the people 110 years from now are not going to need timber, and my state has this capability.

It is a rain forest. It is not the only rain forest, as you know, and I applaud what you said, Mr. Chairman, at the opening about the beauty of this area. It is fabulous, but all of Alaska is fabulous. Come with me, and I will show you some other areas that are equally fabulous with which other people have fallen in love, and they want to save that.

All we want to save is ourselves in terms of the commitments that Congress has made to our people, and I believe that this is a basic commitment that was made not only to the people of Alaska but to me, personally. I was sitting right there where you are today when it was made. As far as I am concerned, it is going to be kept, and if we are going to declare war, then we will declare war. If this is going to be the bill, so be it.

This was a commitment that was made for 10 years it would not be changed, and we would review the plan that was submitted by the Forest Service at the end of the 10 years.

I say to you, Mr. Chairman, people who live as far away as we do from Washington cannot help but trust the government. I think all of our people ought to trust our government, and this action in preparing to renege on a commitment that was made to our people prematurely, I think, is wrong. I intend to not support it, as you might gather.

Thank you very much.

[The prepared statement of Senator Stevens follows:]

Testimony of Senator Ted Stevens

November 3, 1987

Mr. Chairman, while I take issue with the bill which is the subject of this hearing, I am pleased to have this opportunity to appear before you today. The current proposal to change the Alaska National Interest Lands Conservation Act is just the most recent chapter in an ongoing struggle -- one which I have been involved in for almost nineteen years. As a participant in the Alaska lands debate and a representative of the people of Alaska I would like to share with you my perspective on the history of the Tongass provisions of ANILCA and on the current dispute over that forest's timber program.

There are three keys to understanding the current state of affairs in the Tongass National Forest. The first is to know how the Tongass came to be divided up by ANILCA. The second is to understand what has happened in Alaska's timber industry since 1980, and how this relates to the Lands Act. The third is to realize what, in fact, the environmentalists are trying to accomplish by attacking the timber program today.

The Tongass Timber Supply Fund was a compromise put forward by the Senate supporters of the Alaska Coalition, [which represented the nation's environmental organizations] in order to win more wilderness withdrawals in the Tongass National Forest. ANILCA placed 5.4 million acres of the

Tongass in wilderness. These withdrawals are so substantial that without the added investment provided by the Tongass Timber Supply Fund, the timber industry would have been crushed.

The Alaska lands debate started with section 17(d)(2) of the Alaska Native Claims Settlement Act, which authorized the Secretary of the Interior to withdraw up to 80 million acres of the Federal Land in Alaska. Congress was given until December 13, 1978, to place some or all of this land in various conservation systems. There followed almost a decade of debate over management of Alaska's lands.

The Tongass was drawn into this debate in 1977 when the Chairman of this Committee introduced a bill which - for the first time - included wilderness designations in Southeast Alaska. A few months later the Carter Administration, responding to the Alaska Coalition, proposed designating approximately 6 million acres of the Tongass as wilderness. Congress recognized from the outset that withdrawals of this size would significantly reduce the sustainable timber supply from the Tongass.

In their efforts during the 95th Congress both the House and the Senate shaped their proposals for the Tongass with the intent of avoiding harm to the timber economy. The House bill proposed 2.5 million acres of wilderness. By cutting the Administration proposal in half they hoped to avoid disruption of the timber supply.

The Senate Energy Committee bill would have designated 2.9 million acres of wilderness. It also would have put 1.8 million acres into Special Management Areas. These areas were to be closed to timber harvesting for 10 years while the Forest Service continued to study the effect of the wilderness withdrawals on the Tongass timber program.

This bill faced opposition, and so a compromise proposal was developed based on the Senate Energy Committee version. It would have designated 2.9 million acres of wilderness and 2 million acres of special management areas in the Tongass. The compromise effort failed, however, with a filibuster blocking it on the Senate floor.

In the end, no Alaska Lands legislation passed the 95th Congress. As a result, President Carter made massive withdrawals of federal land in Alaska under the Antiquities Act and the Federal Land Policy and Management Act. The withdrawals were made, in the President's mind, to maintain the status quo into the next Congress since the deadline for action under Section 17(d)(2) of ANCSA had arrived.

In the 96th Congress, the Administration land withdrawals changed the complexion of the Alaska Lands debate. The environmental community, represented by the Alaska Coalition, no longer needed a bill to prevent development in many areas of Alaska.

In 1979 the House passed a bill which designated 5.8 million acres of wilderness in the Tongass but did not establish Special Management Areas. The bill reported by the Senate Energy Committee in 1979 would have established Special Management Areas and would have maintained the timber supply for the local economy.

The Alaska Coalition opposed the Special Management Area concept, and wanted the wilderness withdrawals in the House bill. The final compromise on the issue was put forward by their supporters in the Senate. Their proposed compromise became section 705 of ANILCA. The special management areas were removed from the bill, the maximum harvest was established at 4.5 billion board feet per decade (an annual average of 450 mmbf), 5.4 million acres of the Tongass was made wilderness, and funding for the timber program -- both normal expenditures and added investment -- was guaranteed at an annual rate of not less than $40 million.

This is how section 705 of ANILCA came about. Alaskans thought this settled the matter. Apparently, some people think the Alaska Lands Act was nothing more than a cease-fire. I believe one reason this debate has resurfaced is that events in Alaska's timber industry have played out differently than expected since 1980.

During 1981, a slump in the timber economy began nationwide. Harvest levels in the Tongass dropped off; after a few years several sawmills and logging operations were forced to shut down. That slump persisted until recently. During 1986, the market began to improve. Today

-- primarily because of the current condition of the dollar -- the demand for timber from Southeast Alaska is as high as it has ever been.

The behavior of the timber market during the last seven years reinforces what we already knew: the timber economy, like other resource industries, runs in cycles. Economics seems to be one of the primary arguments of those who want to remove the timber provisions from ANILCA. They claim that, because stumpage receipts have been low, the Tongass timber program is a bad deal for the federal government.

There are several flaws in this argument. First, it was never contemplated that the federal government would recover the cost of intensive management practices. The Tongass Timber Supply Fund is the cost of wilderness withdrawals. Clearly, no such intensive management would have been needed under the 1978 version which was blocked. Second, while federal revenues were low during this period, this resulted, simply, because worldwide timber demand was low.

Third, stumpage fees are not the only revenues generated by a federal timber program. In addition to federal taxes, significant revenues are generated for state and local governments. And, foreign timber sales have a positive effect on our balance of trade.

The impression that significant losses have occurred is artificial -- created by using the smallest possible frame of reference. Appropriations in one fiscal year produce revenues in future years. It is simply wrong to claim that the costs of Forest Service timber programs should only be compared with revenues generated in that same year. The cutting cycle in the Tongass is 110 years. This find is an investment in the future.

The General Accounting Office has worked with the Forest Service to develop a new accounting system. The Forest Service has used this system to examine Tongass timber expenses during fiscal year 1986. In summary, this report showed that a harvest of 291 million board feet generated $62 million in wages and $277 million in cumulative value to communities in Southeast Alaska. This was accomplished with a loss to the federal government of about $11 million, representing a direct loss of about $20 million, offset by federal taxes of about $9 million.

These figures do show a loss. But the loss is well within what was contemplated when the program of added investment was created in the Lands Act. This is not an argument over economics. The issue here is land use. Environmentalists have ignored the history of ANILCA and misconstrued timber economics to generate support for more wilderness in the Tongass.

Pointing at low harvests during a period of terrible markets, environmentalists ask to remove the barriers to further wilderness designations in the Tongass. This is nothing more than reneging on their compromise made in 1980.

The process of revising the Tongass Land Management Plan has just started. A draft should be completed in late 1989. Revision of the Management Plan presents an opportunity for every resident of Southeast and any other concerned citizen to contribute to the thinking on how the Tongass should be managed during the following ten years. Alternative statutory proposals can be made and run through this process so that we can have an idea of what impact the changes would have on Southeast Alaska. But if the bill before you were to become law that would clear the decks for further wilderness withdrawals. The revisions of the Tongass Land Management Plan would then become the battleground for another fight over how much of the forest will be left open to the people.

I share the concern of the sponsor of this bill that we could improve on the guidelines for the management of the funds provided to enhance the harvest from the Tongass. I joined in the request for a General Accounting Office audit of the Tongass. That audit is now nearly complete. It should be a real help in improving management of this program.

The bill before you does not reform anything. It shifts the burden of wilderness withdrawals from the nation to the working people of Alaska. It was a national decision to close valuable areas of Southeast Alaska to the timber industry. We accepted that decision because the nation agreed to share the cost to our economy of those withdrawals. If this Committee is ready to repeal the wilderness withdrawals, then I believe Alaska would be ready to accept this bill. But if the members of this Committee want to keep the wilderness, then I submit that the nation must accept the costs of that decision.

Senator **Wirth**. Thank you, Senator Stevens.

Senator Bumpers.

Senator **Bumpers**. Senator Stevens, let me ask you for comments on just three or four questions.

It is my understanding that of the, what is it, 5.4 million acres of wilderness there?

Senator **Stevens**. Yes, it is 5.4 million acres in wilderness now.

Senator **Bumpers**. Only 200,000 acres of that is commercially valuable?

Senator **Stevens**. That is not right.

Senator **Bumpers**. That is not true?

Senator **Stevens**. That is not right. A considerable portion of that was LUD 1 under the plan that was prepared in 1977. That was the Land Use District Concept, and that was all commercially valuable.

Senator **Bumpers**. When I say "commercially valuable," Ted, I am talking about timber that would produce more than 30,000 board feet per acre.

Senator **Stevens**. You would have to get those figures from my friends at the Forest Service.

Senator **Bumpers**. The commercially valuable area would be more than 30,000?

Senator **Stevens**. I would say there was more than what you mentioned in the cutting cycle at the time it was taken out of the cutting cycle in 1980.

Believe me, there is a lot more of that land that is commercially valuable.

Senator **Bumpers**. More than 200,000 acres were taken out of the cutting cycle at the time the wilderness was created?

Senator **Stevens**. Yes.

Senator **Bumpers**. This is almost unfair, but I have scanned the testimony of Senator Proxmire, and I will question him, too, on these figures because I am curious as to where he got them or how he made the computation.

For example, he says that timber receipts last year for the entire year were less than one day's taxpayer's spending on the Tongass.

Senator **Stevens**. That might be true. Last year was probably the worst year we have had.

Secondly, the Tongass expenditures now include a considerable amount of money for support of the area that is set aside as wilderness, and that is unfair to put the burden on the timber industry for the part that is spent for recreation, for wilderness and for scientific studies leading to withdrawal of further wilderness. There is no question that the expenditures are quite high.

Also, again, I would say, my good friend, a great portion of those expenditures pertain to how much timber is going to be produced on the whole cutting cycle of 110 years, and $40 million per year to assure that the lands that are outside of wilderness will continue to produce the amount of timber that is in the guarantee of the Lands Act is not a bad expenditure. It is going to come back in spades in terms of the monies that the Federal Government would get over the years that the Tongass continues to produce.

Senator **Bumpers**. I take it that Japan gets most of the timber that comes out of the Tongass.

Senator STEVENS. Not all of it, no.

Senator BUMPERS. Do you know what percentage they get?

Senator STEVENS. Somewhere in excess of 50 percent now, but not too much more. They will have that figure, but we are increasing our exports to the South 48 and to other countries. China has exhibited a great interest in the products now.

At the present time, the timber market is down worldwide.

Senator BUMPERS. Do you know what the total sales in millions are from both of the big mills in Alaska?

Senator STEVENS. No, I do not know what they are at the present time. I do not know that total.

Senator BUMPERS. Another thing Senator Proxmire said was that there was one area where $5.5 million was spent in 1984 and 1985 to build 30 miles of roads and eight bridges in anticipation of a sale which never occurred. It apparently drew no bidders. They offered to sell it, but nobody bid. When it is reoffered, it will bring in just $266,000, which is a loss of 95 percent just for that particular sale.

Senator STEVENS. I would question those figures. A great portion of delay in the Tongass has come from the very people who want to beat down this fund. They have sought to enjoin almost every significant sale that has taken place in Alaska. If you will look at it, there has been not one sale that has been proposed that has not been subject to environmental litigation.

In many instances, people have said what is the use of bidding if they are just going to get involved in putting up their money and then being involved in a three- or four-year long lawsuit.

Recently, I am told that the judge involved in hearing some of those cases has finally said to the environmental groups will you please come in and say what portion of the Tongass you would not oppose cutting.

If you look at the bankruptcies which have taken place in terms of some of the potential bidders and the delays involved in this economy as far as the timber industry is concerned, it is a wonder that anyone is still there at all.

Incidentally, one of those road systems was built at the request of the environmental groups themselves to open up a specific area of southeastern area for recreational purposes. That road was built in advance of the timber industry, considerably in advance, and I have been critical of that, myself. I was one of those who asked for the GAO study because I did not want to see that $40 million put up for the wrong purpose. It should be used to enhance the productive capability of the Tongass, not just to provide access for non-timber users.

Senator BUMPERS. Senator, let me read you something from the Forest Service supply and demand report apparently in answer to a question to Bennett Johnston, Chairman of this committee.

> Japan continues to be the principal market for all Alaska wood products. In the first half of 1986, 89 percent of the export logs and 95 percent of the lumber from Alaska went to Japan.

Senator Stevens. That is export. Be sure you keep that in mind, now. There is a considerable amount cut that is not for export.

Senator BUMPERS. Well, it says, "Since 1985, the aggregate market share for the Pacific Northwest, British Columbia and

Alaska and Japan's log and lumber markets remained the same," which would indicate that, whatever that figure was, it has remained the same.

Senator STEVENS. It has remained the same percentagewise because we are part of the Pacific Northwest timber market, and the timber market has been down. I think that is right.

Statistically, as the market increases we hold our market share. We do not expand and, as it declines, we hold our market share.

I do not argue with that at all. We have almost a relative position now between the Pacific Northwest, British Columbia and Alaska as far as the foreign markets are concerned, but that is not true with regard to domestic markets because we are increasing our utilization of the timber from southeastern Alaska, not only the Alaskan market but in what we call the South 48 market. I think there is a great future there.

Incidentally, we urge the expansion of exports everywhere else. What is wrong with expanding exports of timber if it is going to be cut?

Senator BUMPERS. I am not complaining. Anything we can do to reduce our trade balance with Japan I am for. I have absolutely no objection to exporting these logs to Japan.

Senator STEVENS. I am pleased to hear you say that, because there seems to be a hidden bias here that, somehow, cutting timber from a national forest for export appears to have the cloak of something wrong for some people.

I do not see it as wrong.

Senator BUMPERS. I am asking where the timber goes just to elicit information. That is not really relevant to the purpose of these hearings, as far as I am concerned.

Senator STEVENS. I agree. I am pleased to hear you say that.

Senator BUMPERS. One other thing, and then I guess we will have to go vote.

Senator Proxmire has said in his statement that U.S. taxpayers last year paid $36,000 for every job in the timber industry in Alaska.

Senator STEVENS. That is not true.

Senator BUMPERS. I am going to ask him how we arrived at those figures.

Senator STEVENS. If he is saying there was $36,000 spent in the Tongass Forest management here in Washington and in Alaska, that is probably true. It is an area the size of six states in New England, and it is administered primarily by the Forest Service. It has wilderness and recreation areas, some timber areas, some native land selections that the Forest Service is assisting in, and there is also planning in the other areas that are not forested at all.

That amount of money being spent for an area that size is really not that bad in terms of Federal lands, but if you are saying that all of that related to the timber industry, that is not true. It is a nonsequitur to say that all of that money is going to be related down to how many board feet you cut.

What about all of the studies for wildlife? What about all the studies for fisheries? What about all of the studies for recreation and wilderness? Are those to be put on the timber industry? That is not fair at all.

Senator Bumpers. No, it is not.

I noticed, for example, in 1987, $2,021,000 was spent for recreation, wildlife and fisheries. Really, in protection and management of the Tongass there was $7,232,000.

Senator Stevens. You have to agree, though, that the management costs for the Forest Service in southeastern are not broken down in terms of how much goes for logging and how much goes for the balance. The administrative staff there is charged to the Forest Service, and it is not broken down. Those are specific line item concepts.

I wish we had higher fisheries expenses, for instance. I think we should have.

We had better both go. You and I can talk about this on the way over, I hope.

Thank you, Mr. Chairman.

[A brief recess was taken.]

Senator Wirth. The committee will come to order. Perhaps it might be all right with the two of you if we ask Congressman Regula and Congressman Mrazek to join us at the witness table.

Would that be all right with the two of you? It would be greatly appreciated.

We will, in accordance with the committee rules, include your statements in full in the record.

Recognizing wisdom and seniority, I would recognize Congressman Regula first.

STATEMENT OF HON. RALPH REGULA, A U.S. REPRESENTATIVE FROM THE STATE OF OHIO

Mr. Regula. Thank you, Mr. Chairman. You do have my statement, so I will try to just highlight it.

I am here perhaps with a little different mission than the others, in that I am not endorsing the Reform Act. I am really here concerned about the way in which we manage the funds that are available.

The Senator testified earlier that there would be $40 million, but as a matter of fact what we have been appropriating to the Tongass has been substantially greater than that in the past. In the House this time, we attempted to approach it as a management challenge and say what could be used wisely in the Tongass in terms of taxpayer dollars and to divert some of this money into other needs in Alaska.

The objective, originally, of the Alaskan Claims Act and particularly the 10-year appropriation was to guarantee jobs in the State of Alaska. I think there are more productive ways to produce those jobs than has been the case by appropriating substantial sums to the Tongass alone.

Actually, in terms of spending up there and in terms of jobs, the recreation dimension is twice as important as forestry. The areas of tourism, sport and commercial fisheries have a double job impact as opposed to the Forest Service.

So I think that I would like to see the approach on this, rather than necessarily to abrogate an agreement that was made when this bill was passed, to divert the resources, the taxpayer dollars, to Alaska but in a different fashion than just necessarily building roads to nowhere, building large buildings that do not have the utility value solely because the money is there and there is a desire to spend it.

Let us examine the money and, rather than to take away what the agreement provided, divert this to a more productive use on behalf of jobs in Alaska and particularly also on behalf of the rest of the Nation that wants to use these beautiful areas for recreation purposes.

This is the approach we took in the House bill. We feel that the level of production, the 250 million board feet, will adequately meet all of the market demand and, at the same time, by using some of the funds saved for other purposes, we feel that the national interest as well as those of Alaska will be better served.

That, again, is a somewhat different approach than is embodied in the bill that is before the committee, but I would hope that there would be some consideration given to this.

The Alaskan Claims Act did provide a 5-year review, and I think it is inappropriate at this time that we take a look at whether or not this has met the objectives of job creation as well as providing the ability to meet the market for both pulp and logs. I think it has more than met the market needs.

As was mentioned earlier, the return in receipts has been de minimis compared to what we are expending, so it certainly points out the fact that we should be taking a second look at how we can better use the money to benefit both Alaska and the rest of the Nation.

I think that what we did in the House bill and the Interior Appropriations represents a very reasonable management approach to the use of the funds provided in the original Act.

[The prepared statement of Mr. Regula follows:]

STATEMENT OF THE HON. RALPH REGULA

BEFORE THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

NOVEMBER 3, 1987

Mr. Chairman, thank you for the opportunity to present my views on the management of the Tongass National Forest.

At the outset, I want to say that I am not here today to endorse the Tongass Timber Reform Act. While I refrain from endorsing this solution, I agree that there are serious problems in the management of the Tongass National Forest which I am hopeful this Committee will address.

Mr. Chairman, the Tongass National Forest presents a classic case of public policy gone astray. There were good intentions here: intentions of providing and protecting jobs in southeast Alaska.

Yet even the Forest Service, during last year's hearings in the House Interior Committee, admitted that "Given the reduced demand for Alaska sawn products in export markets since 1981, no amount of ANILCA investments could have maintained the timber industry employment at historic levels."

The performance of the Tongass timber management program demonstrates that government cannot regulate major changes in market demand. The only jobs that have been created under this policy have been within the Forest Service. Private sector timber jobs have declined by 40 percent since 1980 even though spending for the timber program has risen dramatically.

In the Tongass the U.S. Forest Service is spending millions of dollars each year selling trees at a substantial loss. More precisely the supply incentives of the Tongass timber entitlement have created vested interests in the Forest Service to spend taxpayer dollars whether or not they save jobs.

Timber supply is not the problem in southeast Alaska. The Forest Service's January, 1987 Timber Supply and Demand Report concludes that: "Although the ANILCA timber supply goal has ben met, it is unlikely that an annual average of 450 MMBF of Tongass timber will be sold this decade due to reduced demand and higher than average production costs." Rather, the problems are declining world demand for Alaska timber products and increasing competition from other regions.

Chronically weak markets and high production costs characterize the Tongass timber dilemma. Worldwide demand for dissolving pulp used in rayon and cellophane has experienced a serious downturn in recent years because of long term declines in demand for these products which have been replaced with products made from petroleum based fibers.

At the same time, the emergence of lower-cost pulp producers presents stiff new competition for the pulp mills in southeast Alaska.

The market value of pulp exported from southeast Alaska declined by 49 percent between 1980 and 1984.

Housing starts in Japan, the primary determinant of demand for Alaskan sawlogs, are expected to remain flat or decline through the rest of the century because of the age structure of the Japanese population.

The Forest Service's 1984 report on southeast Alaska's timber supply and demand concludes, that "unless a major new market can be found for southeast Alaska's pulp and/or its lower grade logs, a long-term decline in Alaska's timber industry is anticipated, even with a short-term improvement in pulp markets."

The 1985 report continued to echo these concerns: "To regain its market share and expand trade, the Alaska timber industry must develop new products and/or markets. Otherwise, a major restructuring of the Alaskan timber industry is anticipated."

Federal timber policy on the Tongass has also ignored the contribution to timber output and employment that can be made by Alaska's Native Corporations. Through careful land selections the Natives now own some of the best timber lands in southeast Alaska. Their share of the regional timber harvest climbed from 13 percent in 1980 to 49.5 percent in 1985.

The Natives, however, are unable to successfully market their pulp-grade logs (about sixty percent of the cut), because local mills have access to federally subsidized timber from the Tongass National Forest.

Since 1979, expenditures from the Tongass Timber Supply Fund have more than doubled from $18.5 million to $48 million in fiscal year 1986. Yet the laudable goals of creating jobs and boosting the economy have not been achieved. Regional timber industry employment has fallen sharply from more than 3,500 full-time equivalent jobs to fewer than 1,800 today.

Each year, the Forest Service's budget for the Tongass Timber Supply Fund, in one page, describes how the agency will spend millions on underutilized facilities, new logging roads to nowhere and preparing new timber sales that will not attract buyers.

Unfortunately, the budget fails to disclose a 1.3 billion board foot surplus of timber sold but unharvested and prepared but unpurchased. The budget does not reconcile the $1 million, vacant Corner Bay Forest Service dormitory with requests for more facilities.

The ledger overlooks the economic reality that given current demand, investments in intensive forestry techniques such as pre-commercial thinning or pre-roading are unlikely to make any timber more accessible or economic to industry.

Mr. Chairman, I am concerned that expenditures from the Tongass Timber Supply Fund are out of control. During the six year period 1981-1986, this fund cost the taxpayers over $260 million. In 1986, while the government was spending $48 million on the Tongass timber program, total annual cash receipts were about $82,000.

For fiscal year 1988, I have attempted to cut the taxpayers losses, while at the same time maintaining a viable timber program in the Tongass.

In an amendment to the FY 88 Interior Appropriations bill, I attempted to do what the Forest Service has stated to be their policy, and that is to base timber offerings on harvest levels for the previous year.

In fiscal year 1985, the latest year for which final numbers are available, the Forest Service offered 433.5 MMBf for sale but sold only 171.3 MMBF. Because I have heard that demand is rising, my amendment provides for a timber offer of 250 MMBF. By doing so we were able to limit expenditures on the Tongass from the Forest Services proposed $63.7 million ($45.9 million from Tongass Timber Supply Fund and $17.9 million from appropriated funds) to $41.7 million. The timber program will not be affected, only the tide of red ink will be curbed.

The appeal of this approach is that by reviewing the expenditures on the Tongass on an annual basis we are better able to respond to changes in the market place. As the Forest Service has admitted, they can continue to meet the mandated 4.5 BBF per decade timber supply, however, "it is unlikely that an annual average of 450 MMBF of Tongass timber will be sold this decade due to reduced demand and higher than average production costs."

If, as the industry claims, the market is rebounding, I for one, would be happy to address that through the appropriations process. But until there is some evidence that there is a market for more timber than has historically been sold during the ANILCA years it is not prudent to continue to spend taxpayers dollars on unnecessary facilities, and timber sales that may never sell.

Concern for the economy of southeast Alaska should lead to public policies that highlight the region's strengths, tourism and sport and commercial fisheries. These sectors together already account for more than twice as many southeast Alaska jobs as does timber.

Spending more than $40 million per year in southeast Alaska to create jobs and boost the economy is probably a good investment for the Nation. I am not convinced, however that the present plan of throwing money at the Forest Service is in the best interest of all the taxpayers or even those in southeast Alaska.

Senator **Wirth**. Thank you, Congressman Regula.

Congressman Mrazek.

STATEMENT OF HON. ROBERT J. MRAZEK, A U.S. REPRESENTATIVE FROM THE STATE OF NEW YORK

Mr. **Mrazek**. Thank you, Mr. Chairman. I appreciate the opportunity to testify, and I would ask that my written statement be submitted for the record as well as copies of resolutions from 14 different communities in southeast Alaska who have come out in support of the Tongass Timber Reform Act.

Senator **Wirth**. Without objection.

Mr. **Mrazek**. I would simply say that one of the things that I heard over and over again on a trip to Alaska earlier this year from people who live in the Tongass is that we did not move here to get rich. We moved here because of the unique quality of life, and it truly is a unique quality of life.

One woman, for example, talked about the fact that she was born and grew up in the northern part of the state and, because of permafrost, none of the trees ever got very large. She moved to southeast Alaska, and she found trees that were 500, 600, and 700 years old that were 20 feet in diameter and, yes, she is concerned about the taking of those trees.

I, personally believe, after my trip to southeast Alaska, that you can have a constructive co-existence of all three major industries in southeast Alaska. That includes the tourism industry; the commercial fishing industry, which is the largest industry; and the timber industry.

It seems to me that, although those of us who are 143 strong in the House have been referred to as only being concerned about the environment and saving the trees, there are, in fact, several issues with which we are concerned.

It does not seem to me to be unfair to suggest that Congress would have an opportunity each year, just as we do in 155 other national forests, to review the management plan proposed by the Forest Service for the kind of takings that they are looking to do based on the demand for the timber.

I do not know what the future of the timber industry is in southeast Alaska, but it seems to me pretty difficult to imagine that it is going to be a competitive industry for the long term when in Australia a eucalyptus tree with a 7- to 10-year growth cycle can produce equivalent pulp with a tree that takes 100 or 150 years to grow in the Tongass.

If we are talking about jobs in the timber industry in the future, I heard over and over again from people who have been squeezed out by the two wholly held Japanese corporations in southeast Alaska that they think they can compete with finished wood products but they do not have an opportunity to bid on the cedar because those timber stands are being taken by the two pulp companies, Alaska Pulp and Louisiana Pacific.

Yes, there are some jobs for 600 people in those pump mills, but they are not the greatest jobs in the world. If you visited the Alaska Pulp Company in Sitka and walked through that plant, I submit to you that Sinclair Lewis used to write about those kinds of things at the turn of the century.

Those are not the greatest working conditions in those plants. They are 30 years old, and I have a suspicion that when the Japanese decide they are going to require massive investments of capital that they are going to take a walk on those plants, and then there will be very few jobs left in that industry.

I think the future of the timber industry lies in a competitive approach, allowing Alaskan entrepreneurs to have a shot at those resources. They do not have that shot now.

In 1986, $50 million was spent by the Forest Service for a return of $82,000 to the Tongass Timber Supply Fund, which means that 99 cents out of every dollar was a lot. For that, we had roads built to nowhere at $150,000 per mile.

I submit to you that there are better jobs for people in Alaska if we had a competitive timber industry making finished wood products than just making diapers for the Japanese and the Koreans with that pulp.

One hundred and forty-three members of the House think the Tongass Timber Reform Bill is a good policy. I might add that they are not all tree huggers. We are not all considered to be active environmentalists. There are liberals like Bob Dornan who are cosponsoring this bill, and liberals like Newt Gingrich are supporting this bill.

Interestingly enough, it would appear that the National Taxpayers Union must be eating a lot of granola these days because they are actively supporting the Tongass Timber Reform Bill.

I would just conclude that there is a second component to this. We have two 50-year contracts with the two pulp companies, the two Japanese-held pulp companies that have both been found guilty of antitrust violations, including price fixing and collusive bidding. According to the Forest Service itself, they cheated the Federal Government out of $60 to $80 million through those antitrust practices.

They are paying about $2.26 a board foot per thousand board feet for prime spruce up there, where it costs companies in Washington and Oregon $150. The two 50-year contracts do not serve the interest of the people in southeast Alaska. I think they should be repealed, and that is the second component in my legislation.

By repealing them, you restore a sense of competitiveness with entrepreneurs in Alaska able to bid on those timber stands that would be made available by the Forest Service.

In conclusion, it is my hope that you will pass S. 708 sponsored by the distinguished Senator to the right of me, Senator William Proxmire.

Thank you.

[The prepared statement of Mr. Mrazek follows:]

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

ROBERT J. MRAZEK
3RD DISTRICT NEW YORK

COMMITTEE ON
APPROPRIATIONS
WHIP AT LARGE

USING COMMON SENSE IN THE TONGASS
TESTIMONY BY REPRESENTATIVE ROBERT J. MRAZEK
H.R. 1516, S. 708, THE TONGASS TIMBER REFORM ACT
SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS
ENERGY AND NATURAL RESOURCES
NOVEMBER 3, 1987

Mr. Chairman. I want to thank the subcommittee for convening these two days of hearings on S. 708 (H.R. 1516), the Tongass Timber Reform Act, a bill Senator Proxmire and I have introduced which is designed to impose management in our nation's largest national forest in southeast Alaska.

I am well aware of the circumstances under which the Tongass Timber Supply Fund was inaugurated in 1980 and the economic realities for doing so. However, I think we must also realize the economic realities of 1987. Over the last five years the number of jobs in the Tongass has shrunk from 3500 to 1800. In 1986, for instance, the U.S. Forest Service has spent $50 million with a return of only $82,000 in cash receipts from the Tongass Timber Supply Fund. This is an incredible loss of over 99 cents on every dollar spent in the Tongass. The U.S. Forest Service itself estimates a loss of $2 to $5 Billion over the next 50 years.

For Congress to continue to generously subsidize this industry at such a tremendous cost of billions to our nation's treasury is just plain bad public policy. I cannot in good conscience condone this policy, and I believe S. 708 (H.R. 1516) is a simple, common sense way to rectify the situation.

S. 708 (H.R. 1516) repeals sections 705(a) and 705(d) of Alaska National Interests Land Conservation Act (ANILCA). This change would bring the Tongass into the annual appropriations process, along with the rest of the U.S. Government. As a member of the Appropriations Committee, I strongly feel the committee should review and evaluate the management policies of the U.S. Forest Service in the Tongass each year. The U.S. Forest Service should justify how it plans to spend taxpayer money, so the committee can determine whether it complies with the fiscal priorities of the nation, and whether spending is justified at all. Unlike virtually all other federal expenditures, including expenditures for national defense, these funds are not subject to deferral or recision by the administration. Of course, this does not preclude this committee from allocating $20, $40 million or such sums that the committee finds is necessary each fiscal year.

In addition, the U.S. Forest Service is permitted a mandatory timber supply goal of 4.5-bbf per decade, whether or not there are buyers for the timber, no matter what the price. Last year, the U.S. Forest Service sold only 49 percent of this timber it offered for sale. I believe Chairman Udall stated it most succinctly in his letter of July 31, 1986 to Secretary Lyng on congressional intent of the 450:

"....Among those understandings was that maintaining 'a

> supply of timber' of 450 mmbf per year assumed that this was the quantity of timber necessary to maintain jobs in the timber industry. It was further assumed that this was the quantity that was likely would be purchased by the industry. On the other hand, it was assumed that if the industry could not purchase 450 mmbf, the Federal Government would not waste fiscal and natural resources regardless of timber market conditions by continuing to offer timber sales in excess of realistic market demand."

In addition, he stated that "'No more timber should be offered for sale than the Forest Service can reasonably expect to sell.' Congressional intent was not to 'force feed' the timber industry regardless of timber market conditions." Obviously, the U.S. Forest Service has circumvented the Chairman's intent, and it is time to make the Tongass accountable by annual congressional review. Every other forest must face such scrutiny.

ANILCA allows for another unusual quirk that exempts the Tongass from Section 6(k) of the National Forest Management Act, which asks the U.S. Forest Service to designate lands physically and economically unsuitable for commercial timber production. It is incomprehensible that the Tongass has been singled out from this provision and that it does not have to justify its cut and give adequate consideration to multiple use. This revision directs the U.S. Forest Service to consider economic scrutiny when planning timber sales, thereby significantly reducing

Tongass timber program losses. It might also reveal that more steps should be taken towards the protection of fish and wildlife.

It should be pointed out that the economy of southeast is quite diversified and that fishing and tourism account for large segments of those employed there. In fact, the fishing industry employs more than the timber industry, and both industries rely heavily on the forest in a state that protects wildlife and fishing resources.

I have spoken to many fisherman from southeast who have expressed sincere concern for the future of sensitive habitats. Excessive roadbuilding and clearcutting have caused the greatest concern. Roads are often built in order to reach better timber stands, whether or not there are buyers and often at rates that exceed demand. According to the fisherman, this is too often done at the expense of sensitive habitats. In fact, residents of Point Baker have told me that the U.S. Forest Service plans to clearcut much of their town, when, in fact, they have determined that 90 percent of the Sitka black-tail deer will be destroyed there. We cannot overlook the fact that deer and salmon account for 60 percent of the local foods consumed in southeast.

The beauty in the Tongass National Forest is no secret. It is the largest span of the old-growth virgin rain forest in America. The Tongass is home to the largest concentration of bald eagles and grizzly bears, not to mention the variety of other birds and mammals.

Naturally, not all the problems in the Tongass have been caused by the U.S. Forest Service performance since 1980. Uncontrollable factors, like the faltering world timber economy have contributed. In addition, the long-term contracts that were entered into in the 1950's that guarantee two timber companies low-cost business with the U.S. Government, and thereby eliminate any hope of a free-market economy, contribute heavily to today's problems. As a result, I strongly urge the committee to address the possibilility of terminating these contracts, when it further considers S. 708 (H.R. 1516).

I sincerely believe that S. 708 (H.R. 1516) is a reasonable approach that advocates common sense management and accountability. As you may know, I visited southeast Alaska during the summer recess, and I am even more convinced now that this kind of change is imperative. In addition, I would like to submit for the record the resolutions of 14 southeast Alaska communities that have endorsed change for the Tongass.

In light of our commitment to reducing the federal deficit, I believe S. 708 (H.R. 1516) represents a step in the right direction. At a time when we are asked to make deep cuts in virtually all federal programs, I believe saving over $1 Billion over the next 20 years is in line with the fiscal priorities of this nation. It just makes sense.

City of Angoon
P. O. Box 189
Angoon, Alaska 99820

Telephone
(907) 788-3653

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANGOON IN OPPOSITION TO THE 4.5 BILLION BOARD FEET PER DECADE ("450") TIMBER CUT ON THE TONGASS NATIONAL FOREST.

RESOLUTION NO. 86-02

WHEREAS, Angoon is a traditionally subsistence-oriented community dependent upon use of area fish and wildlife resources; and

WHEREAS, [illegible] MMBF per year harvest level has a detrimental effect on existing fish [illegible] wildlife levels within the Tongass National Forest; and

WHEREAS, [illegible] tion of existing fish and wildlife resources throughout the Tongass [illegible] nal Forest places additional use pressures from other communities on [illegible] available to Angoon; and

WHEREAS, [illegible] 450" does not reflect ongoing timber harvest on State and private [illegible] and

WHEREAS, [illegible] level of harvest over-supplies the market thus producing current low [illegible] for timber while simultaneously depleting limited Native Corporation [illegible]es; and

WHEREAS, [illegible] need for "450" level of harvest has never been demonstrated by the industry.

THEREFORE, BE IT RESOLVED: that the City Council of the City of Angoon, Alaska [illegible] stands opposed to the 4.5 billion board feet per decade ("450") [illegible] on the Tongass National Forest.

Passed [illegible] Meeting held on January 21, 1986 by a vote of [illegible] yes, 6 absent, — abstain.

For the City of Angoon

ATTEST: ____________________
City Clerk

SEAL

P.O. Box 23, Craig, Alaska 99921 (907) 826-3275

RESOLUTION NO. 86-04

A RESOLUTION SUPPORTING OTHER SOUTHEASTERN COMMUNITIES OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER CUT, 50 YEAR APC AND LPK CONTRACTS, AND ABUSE OF THE TONGASS TIMBER ON THE TONGASS NATIONAL FOREST

WHEREAS, Craig is a rural community, our lives are based on the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources will be detrimentally effected by this amount of timber cutting; and

WHEREAS, this level of timber harvest does not allow adequate flexibility for the long term management of the forest for all multiple uses; and

WHEREAS, the Timber Supply fund is currently being used to access high yield stands of timber, which are also critical habitat for fish and wildlife instead of preroad marginal stands of timber to increase their economic viability; and

WHEREAS, under the current management the "450" cut and 50 year contracts are allowing the Tongass to be hygraded for it's high yield timber, this management is fueled by the wasteful use of the Timber Supply Fund. The loss of these areas of high yield will result in any long term timber industry sustaining itself with timber that is less economically viable, and

WHEREAS, the "450" cut and 50 year contracts allows for the carry over of timber from one operating period to the next, causing severe boom and bust cycles for the communities within the Tongass National Forest; and

WHEREAS, the "450" cut does not include ongoing timber harvesting on state and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

APPROVED April 3, 1986

Votes: Yea 4 Nay 2

Mayor

Attest: City Clerk

Edna Bay Community
Edna Bay, Alaska

Resolution 85-12:3-3

Whereas, as a bush community, our lives are based on the surrounding fish and wildlife resources, and

Whereas, biologists have determined that excessive timbering and/or clearcutting can be detrimental to these resources, and

Whereas, the '450 cut' is a political mandate not based on economic principles, as evidenced by the millions of dollars lost annually on the Tongass National Forest, and

Whereas, this level of timber harvest does not allow flexibility in the management of the forest for all multiple uses,

BE IT RESOLVED that the community of Edna Bay stands opposed to the '450' * timber cut on the Tongass National Forest.

This resolution is hereby adopted by majority vote, this 3rd day of March, 1985.

Bert Bergman
Bert Bergman
Board President

Valerie E Brooks
Valerie Brooks
Secretary

* referring to ANILCA legislation that calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of 40 million dollars or as much is necessary to accomplish this legislation.

Community of Elfin Cove Non-Profit Corporation
POST OFFICE BOX ONE
ELFIN COVE, ALASKA 99825
(907) 697-8131

RECEIVED
MAR 08 1985
CONSERVATION COUNCIL

Whereas, as a bush community, our lives are based on the surrounding fish and wildlife resources, and

Whereas, biologists have determined that excessive timbering and/or clearcutting can be detrimental to these resources, and

Whereas, the "450 cut" is a political mandate not based on economic principles, as evidenced by the millions of dollars lost annually on the Tongass National Forest, and

Whereas, this level of timber harvest does not allow flexibility in the management of the forest for all multiple uses,

BE IT RESOLVED that the Community of Elfin Cove Non-Profit Corporation stands opposed to the "450"* timber cut on the Tongass National Forest.

This resolution is hereby adopted by a unanimous vote, this 15th day of February, 1985. The Board of Directors are as follows:

Greg Howe, Chairperson

Louise Lourant, Vice-Chair

Nora Ann Johnson
Nora Ann Johnson, Treasurer

Sandra Darnell
Sandy Darnell, Secretary

Paul Johnson, Member

Joe Craig, Member

Mary Jo Lord-Will
Mary Jo Lord-Wild, Member

* referring to ANILCA legislation that calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of 40 million dollars or as much as is necessary to accomplish this legislation.

JAN 15 1986

Gustavus Community Association
Box 62
Gustavus, Alaska 99826

TO: Senator Stevens
Senator Murkowski
Representative Young
Representative Sieberling

FROM: President, Gustavus Community Association

SUBJECT: the "450 Timber Cut" on the Tongass National Forest

DATE: January 13, 1986

At the December 12, 1985 general meeting of the Gustavus Community Association, it was resolved to urge your support in removing the "450 timber cut" provision from the Alaska National Interest Land Classification Act, during the upcoming congressional review of this legislation.

Our reasoning is as follows:

whereas, the livelihoods of Gustavus residents depend heavily on tourism, fishing and subsistence, and

whereas, biologists and others have determined that excessive timbering can be detrimental to these resources, and

whereas, the "450 timber cut" does not allow enough flexibility in the management of the National Forest for all appropriate uses, and

whereas, this level of harvest is not economically sensible, as shown by the millions of dollars spent to subsidize the forest products industry on the Tongass,

we therefore oppose the "450 timber cut" on the Tongass National forest.

(Information: ANILCA calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of up to $40 million.)

SIGNED: ______________________
President, Gustavus Community Association

CCR-86-01-14-01

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF HOONAH, ALASKA, IN SUPPORT WITH OTHER SOUTHEASTERN COMMUNITIES OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER CUT, 50 YEAR APC AND LPK CONTRACTS, AND ABUSE OF THE TONGASS TIMBER FUND ON THE TONGASS NATIONAL FOREST.

WHEREAS, Hoonah is a rural community, our lives are based on the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources will be detrimentally effected by this amount of timber cutting; and

WHEREAS, this level of timber harvest does not allow adequate flexibility for the long term management of the forest for all multiple uses; and

WHEREAS, the Timber Supply Fund is currently being used to access high yield stands of timber, which are also critical habitat for fish and wildlife instead of preroad marginal stands of timber to increase their economic viability; and

WHEREAS, under the current management the "450" cut and 50 year contracts are allowing the Tongass to be hygraded for it's high yield timber, this management is fueled by the wasteful use of the Timber Supply Fund. The loss of these areas of high yield will result in any long term timber industry sustaining itself with timber that is less economically viable; and

WHEREAS, the "450" cut and 50 year contracts allows for the carry over of timber from one operating period to the next, causing severe boom and bust cycles for the communities within the Tongass National Forest; and

WHEREAS, the "450" cut does not include ongoing timber harvesting on state and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hoonah, Alaska, that it opposes the 4.5 billion board feet per decade cut, the 50 year contracts, and the abuse of the Timber Supply Fund.

Votes______ Yea 6 Nay 0

January 14, 1986

Miles N. Murphy, Jr., Mayor

ATTEST: Joyce Mills

Joyce Mills, City Clerk

CITY OF HYDABURG
P.O. BOX 49
HYDABURG, ALASKA 99922
(907) 285-3761

RESOLUTION NO. 86-03

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HYDABURG, ALASKA IN SUPPORT WITH OTHER SOUTHEAST ALASKAN COMMUNITIES OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE ("450") REQUIRED TIMBER CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, as a bush community, our lives are based on the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources can be detrimentally effected by this amount of timber cutting; and

WHEREAS, this level of timber harvest does not allow adequate flexibility in the management of the forest for all multiple uses; and

WHEREAS, the "450" timber cut does not include ongoing timber harvesting on State and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

THEREFORE BE IT RESOLVED, that the Council of the City of Hydaburg, in Hydaburg Alaska hereby stands opposed to the 4.5 billion board feet per decade ("450") required timber cut on the Tongass National Forest.

PASSED AND APPROVED THIS fourth day of March, 1986.

CITY OF HYDABURG, ALASKA

Robert Sanderson
Robert Sanderson, Mayor

ATTEST:

Margaret O'Neil
Margaret O'Neil, City Clerk

Resolution 86-2

A RESOLUTION BY THE CITY OF KUPREANOF, ALASKA IN SUPPORT WITH OTHER SOUTHEASTERN COMMUNITIES OPPOSING THE 4.5BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER CUT, 50 YEAR APC AND LPK CONTRACTS, AND ABUSE OF THE TONGASS TIMBER FUND ON THE TONGASS NATIONAL FOREST.

WHEREAS, Kupreanof is a rural community, our lives are based on the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources will be detrimentally effected by this amount of timber cutting; and

WHEREAS, this level of timber harvest does not allow adequate flexibility for the long term management of the forest for all multiple uses; and

WHEREAS, the Timber Supply Fund is currently being used to access high yield stands of timber, which are also critical habitat for fish and wildlife instead of preroad marginal stands of timber to increase their economic viability; and

WHEREAS, under the current management the "450" cut and 50 year contracts are allowing the Tongass to be hygraded for it's high yield timber, this management is fueled by the wasteful use of the Timber Supply Fund. The loss of these areas of high yield will result in any long term timber industry sustaining itself with timber that is less economically viable; and

WHEREAS, the "450" cut and 50 year contracts allows for the carry over of timber from one operating period to the next, causing severe boom and bust cycles for the communities within the Tongass National Forest; and

WHEREAS, the "450" cut does not include ongoing timber harvesting on state and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Kupreanof, Alaska, that it opposes the 4.5 Billion board feet per decade cut, the 50 year contracts, and the abuse of the Timber Supply Fund.

Date April 14, 1986

Mayor Robert T Baade

City Clerk Emily V [illegible]

City of Pelican

BOX 757 – PELICAN ALASKA 99832 – PHONE 735-2202

RESOLUTION 1985-4

A RESOLUTION OPPOSING THE "450 CUT"
IN THE TONGASS NATIONAL FOREST

WHEREAS, as a bush community, our lives are based on the surrounding fish and wildlife resources; and,

WHEREAS, biologists have determined that excessive timbering and/or clearcutting can be detrimental to these resources; and,

WHEREAS, the "450 cut" is a political mandate not based on economic principles, as evidenced by the millions of dollars lost annually on the Tongass National Forest; and,

WHEREAS, this level of timber harvest does not allow flexibility in the management of the forest for all multiple uses,

THEREFORE BE IT RESOLVED THAT the Pelican City Council is opposed to the "450 cut"* timber policy on the Tongass National Forest.

PASSED, APPROVED AND ADOPTED THIS 11th DAY OF FEBRUARY 1985.

signed: Harry A. Davidson
Harry A. Davidson, Mayor

attest:

Edith M. Carlson
Edith M. Carlson, City Clerk

* referring to ANILCA legislation that calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of 40 million dollars or as much as is necessary to accomplish this legislation.

Community of Point BAKER, PRINCE of WAles IS

A RESOLUTION OF THE COMMUNITY OF Point BAKER ALASKA IN SUPPORT WITH OTHER SOUTHEAST ALASKAN COMMUNITIES OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, as a rural "Bush" community our economic and subsistance well being is dependant on surrounding fish and wildlife resources; and

WHEREAS, our collective fish and wildlife habitat will be severly impacted by this excessive harvest; and

WHEREAS, this level of timber harvest does not fairly consider or allocate for true multiple use placing timber concerns over community needs; and

WHEREAS, the 4.5 billion board feet mandate does not include ongoing harvesting on State, Native Corporation, and private holdings and should be reduced to reflect a true balance of harvest clearcutting occuring between Forest Service, The State of Alaska, Native Corporations, and private landowners.

WHEREAS, current logging practices stress "high grading" over fish and wildlife resources and habitat,

Therefore, let it be resolved that the Community Council of the Village of Point BAKER hereby stands opposed to the 4.5 billion board feet per decade required timber cut on the Tongass National Forest, and that furthur cutting be brought in line with similar activities in the Lower 48 and a uniform harvestand cleanup reforestation policy apply.

Community of Point BAKER, AlASKA

Mike Mortell DEC 3 1985

ChAIRMAN Mike Mortell
Box 53 Point Baker
99927

Attest
Joseph Sebastian
Community SECRETARY
Acting Joseph SEbAStiAN
129 Pt BAKER AK 99927

CITY OF PORT ALEXANDER
BOX 725 • PORT ALEXANDER, ALASKA 99836

Resolution 84-6

Whereas, as a bush community, our lives are based on the surrounding fish and wildlife resources, and

Whereas, biologists have determined that excessive timbering and/or clearcutting can be detrimental to these resources, and

Whereas, the "450 cut" is a political mandate not based on economic principles, as evidences by the millions of dollars lost annually on the Tongass National Forest, and

Whereas, this level of timber harvest does not allow flexibility in the management of the forest for all multiple uses,

BE IT RESOLVED that the community of Port Alexander stands opposed to the "450" * timber cut on the Tongass National Forest.

This resolution is hereby adopted by a unanimous vote, this 5th day of October, 1984.

~~Linda Hoven~~ Mayor
PAUL YOUNG

Amy Limber
Amy Limber
City Clerk

* referring to ANILCA legistation that calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of 40 million dollars or as much as is necessary to accomplish this legislation.

COMMUNITY OF PORT PROTECTION

A RESOLUTION OF THE COMMUNITY OF PORT PROTECTION, ALASKA IN SUPPORT WITH OTHER SOUTHEAST ALASKAN COMMUNITIES OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, as a rural "Bush" community our economic and subsistance well being is dependant on surrounding fish and wildlife resources; and

WHEREAS, our collective fish and wildlife habitat will be severly impacted by this excessive harvest; and

WHEREAS, this level of timber harvest does not fairly consider or allocate for true multiple use placing timber concerns over community needs; and

WHEREAS, the 4.5 billion board feet mandate does not include ongoing harvesting on State, Native Corporation, and private holdings and should be reduced to reflect a true balance of harvest clearcutting occuring between Forest Service, The State of Alaska, Native Corporations, and private landowners.

WHEREAS, current logging practices stress "high grading" over fish and wildlife resources and habitat,

Therefore, let it be resolved that the Community Council of the Village of Port Protection hereby stands opposed to the 4.5 billion board feet per decade required timber cut on the Tongass National Forest, and that furthur cutting be brought in line with similar activities in the Lower 48 and a uniform harvestand cleanup reforestation policy apply.

PASSED AND APPROVED THIS 1st DAY OF NOVEMBER, 1985.

Community of Port Protection, Alaska

CHAIRMAN

ATTEST

Shirley Piedra
Community Secretary

CITY OF TENAKEE SPRINGS

Resolution 85-17

In the Council
July 9, 1985

Introduced by the
Council President

A RESOLUTION OPPOSING THE "450" CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, living in a balanced environment possessing a wealth of natural resources insures each individual the choice of how to live. Having that choice is important to the residents of Tenakee Springs; and

WHEREAS, the Tongass National Forest lands form an integral part of our lifestyle in Tenakee Springs. The forest lands and the countless resources they produce affect not only how we live, but also where and why we live in this community; and

WHEREAS, we use a number of forest resources for many purposes in our lives: timber for lumber and heat, wildlife and fish for food, sport, and recreation, furbearers for income, and plants for food; and

WHEREAS, the residents of Tenakee Springs are understandably concerned about the present and future management of Tongass National Forest lands.

1. We want a financially healthy and realistic timber industry. An industry prepared to make a meaningful contribution to the local and regional economy year after year. An industry that accepts the responsibility of sharing the natural resources of the Tongass with other industries and interests.

2. We recognized that old growth forests are a non-renewable resource and provide critical fish and wildlife habitat. We appreciate the necessity of fish and wildlife to the maintenance and enrichment of subsistence and rural lifestyles.

3. We believe it is important to protect salmon streams and crab habitat to sustain the fishing industry in Southeast Alaska.

4. We consider maintaining forest land in its natural state critical to the potential future development of a growing tourism and recreation industry.

5. We understand the significance of wilderness as a generator of clean air and water in our environment; and

WHEREAS, timber management on the Tongass National Forest is governed by a congressional and contractual mandate specifying that 450 mmbf/year be designated for harvest. This 450 cut level was arbitrarily established some years ago as a political carrot and economic enticement to encourage development of a timber industry in Southeast Alaska. At the time it was felt that the timber industry was necessary to help settle and stabilize the area. The 450 cut level is not based on an objective scientific assessment of the sustainable timber harvest level on the Tongass. The 450 cut level does not take into consideration natural fluctuation in the timber market or changes in forest management priorities; and

WHEREAS, the obligatory 450 cut level, which also guarantees a minimum of

olution 85-17
TWO

$40 million per year in federal subsidies, insures that commercial timber harvest dominates the present list of forest management priorities. The 450 cut level was established prior to the multiple-use concept of forest management; and

WHEREAS, since the 1971 Alaska Native Claims Settlement over 500,000 acres of National Forest Lands have been removed from the base and turned over to Native Corporations. The Forest Service estimates that the Native Corporations now control 20-25% of the commercial timber volume left in the Tongass. The Tongass timber base has been substantially reduced and yet the 450 cut level has remained unchanged; and

WHEREAS, Native Corporations are now cutting more timber annually than originally predicted by the Forest Service. While Native Corporation contracts are accounting for additional jobs in the timber industry, there has been no subsequent adjustment to the 450 cut level on the part of the Forest Service. This situation equates to additional federal subsidy and interference with the timber industry; and

WHEREAS, the high levels of Forest Service subsidies for pulpwood to supply the mills in Sitka and Ketchikan inflate the pulp market to such an extent that Native timber operations cannot always recover costs on the sale of pulpwood. Many trees are left on the ground to rot; and

WHEREAS, the Alaska National Interest Lands Conservation Act (ANILCA) specifies that beginning in December 1985 and every two years thereafter the United States Congress will reveiw the status of the Tongass National Forest. This provides an important opportunity for communities such as Tenakee Springs to provide direct and meaningful input to determine the future management of Tongass National Forest Lands; and

WHEREAS, annual timber harvest levels from the Tongass have consistently run below the 450 cut level in spite of large federal subsidies to the timber industry. This fact clearly demonstrates the economic infeasibility of the 450 cut;

THEREFORE BE IT RESOLVED by the City Council of Tenakee Springs that this community stands opposed to the 450 mmbf per year mandated cut on the Tongass National Forest.

ADOPTED 6 yeas 1 Nay THIS 9th DAY OF JULY, 1985

Diane Ziel
Diane Ziel
City Council President
ex officio MAYOR

ATTEST:

Janice J. Eagle
Janice J. Eagle
City Clerk

Recd
7/9/8

CITY OF YAKUTAT, ALASKA

RESOLUTION NO. 85-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YAKUTAT, ALASKA IN SUPPORT WITH OTHER SOUTHEAST ALASKAN COMMUNITIES OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE ("450") REQUIRED TIMBER CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, as a bush community, our lives are based on the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources can be detrimentally effected by this amount of timber cutting; and

WHEREAS, this level of timber harvest does not allow adequate flexibility in the management of the forest for all multiple uses; and

WHEREAS, the "450" timber cut does not include ongoing timber harvesting on State and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

THEREFORE BE IT RESOLVED, that the Common Council of the City of Yakutat hereby stands opposed to the 4.5 billion board feet per decade ("450") required timber cut on the Tongass National Forest.

PASSED AND APPROVED THIS 7TH DAY OF ~~MAY~~ June, 1985.

CITY OF YAKUTAT, ALASKA

MAYOR

ATTEST:

Deborah Harris
CITY CLERK

Senator WIRTH. You have a vote right now; is that right?

Senator Proxmire, might we have a question or two of them before they have to go over and vote?

Senator PROXMIRE. Of course.

Senator WIRTH. Mr. Regula, you said substantially greater than $40 million a year.

How much more than that has been spent?

Mr. REGULA. I think in Fiscal Year 1987 it was about $63 million, around $63 million.

Senator WIRTH. It has been up as high as $90 million in some years?

Mr. REGULA. It could be. I do not have those numbers.

Senator WIRTH. How much do you figure could be used wisely?

Mr. REGULA. What we have in the House bill is the $40 million level, and we diverted the balance to other types of activity.

Senator WIRTH. You mentioned in your testimony that there are more productive ways to promote jobs.

Have you done an analysis of that or do you have specifics related to that?

Mr. REGULA. Only in the sense that there were many needs to be presented to the Interior Subcommittee on Appropriations for Alaska, so what we did was fund some of the other things such as a visitor center and so on with more of an emphasis on the recreational dimension because it is more job producing than is the expenditure in the Tongass.

Senator WIRTH. Congressman Mrazek, you made a number of references to the Japanese, two wholly owned companies. You said the Japanese were taking a walk on reinvesting and maintaining the plants, and that we're subsidizing diapers for Japanese and Koreans.

What is the reference to the Japanese? What does that mean?

Mr. MRAZEK. Well, the Alaska Pulp Company and the Louisiana Pacific Company are both wholly owned Japanese corporations operating in Alaska that employ about 600 Alaskans.

Senator MURKOWSKI. Excuse me. Would you yield?

Did I understand you to say the Louisiana Pulp Company was wholly owned? I think you will find that Harry Murlow and shareholders nationally own Louisiana Pacific unless it has been sold in the last 48 minutes.

Mr. MRAZEK. Well, perhaps Louisiana Pacific is not wholly-owned. Alaska Pulp Company is a wholly-owned Japanese company.

Senator MURKOWSKI. Alaska Pacific is and Louisiana Pacific is not?

Mr. MRAZEK. I regret the mistake on that statement.

Senator WIRTH. You were mentioning diapers for Japanese and Koreans. What does that reference mean?

Mr. MRAZEK. Well, the pulp is used to make diapers.

Senator WIRTH. So the pulp is exported?

Mr. MRAZEK. Yes, it is.

Senator WIRTH. How much?

Mr. MRAZEK. I believe there were estimates that up to 85 percent of the wood products produced in the Tongass go to the Pacific rim countries.

Senator **WIRTH**. Ninety-nine cents out of every dollar is paid for by the taxpayer, but 85 percent of that product is being exported; is that right?

Mr. **MRAZEK**. I think that is a fair estimate.

Senator **WIRTH**. So, effectively, the American taxpayer is subsidizing the export of pulp and other wood products to the Pacific rim. Is that the conclusion you are coming to?

Mr. **MRAZEK**. They are getting a real good price on the timber produced in the Tongass as well as the pulp being produced in the Tongass because of the subsidy. They are able to bid very artificially low figures for those timber stands.

Mr. **REGULA**. I think some of the subsidies, though, do go into nonproductive things such as roads, buildings and so on that do not necessarily affect the sales to the Japanese. There is an element of "because the money is there, let us spend it" involved.

Senator **WIRTH**. I know you two have to vote.

Senator Murkowski, do you have any questions of the two members of the House before they have to depart?

Senator **MURKOWSKI**. Thank you, Mr. Chairman.

Gentlemen, would you consider supporting the wilderness designations each year as we review the Forest Service budget in light of market conditions, which obviously have turned around rather dramatically this current year?

Mr. **REGULA**. I am sorry. I am not sure what you mean by "wilderness designation".

I think the issue is annual appropriations versus the 10-year agreement.

Senator **MURKOWSKI**. The allegation is that this is a subsidy. Obviously, as the market condition improves, the timber is worth more and there is a greater return to the Federal Government. So that is my question.

Mr. **REGULA**. I do not support the repeal, although I think that was part of the agreement that was made with the Alaskan Native Claims Act.

The thrust of my testimony would be let us manage the funds more wisely, and that is what we have attempted to do in the Interior Appropriations. We have $41 million in there, but we focus it on a better use of the money, and we limit the sales to 250 million board feet or I assume that much.

Mr. **MRAZEK**. I would simply add that we are both members of the Appropriations Committee. Our interest is in seeing the money spent well by the Federal Government. If you have a program which had 3,500 jobs when the program began in the Tongass in the timber industry and now you have less than 2,000 jobs, according to the Forest Service in their 1986 estimate, I submit to you that the $365 million we have invested since ANILCA has not produced the kind of results we are looking for.

Senator **MURKOWSKI**. On the issue of wilderness and the realization that we have added to the wilderness as a consequence of this legislation, the agreement was made, as Senator Stevens very pointedly suggested, as a binding agreement for additional wilderness; 1.3 million was taken out of timber that was set up to be harvested commercially and put into a wilderness.

Is that a reasonable price for wilderness? I think probably we have a comparison in the redwoods. I do not know whether Senator Proxmire is aware of that, but there was nearly $1 billion in settlements that were offset on jobs and loss to the communities and so forth.

So if you are talking about that aspect as well as cancelling the contracts in relationship to what you are talking about saving—is there a savings? Have you had a chance to calculate?

Mr. MRAZEK. I am not here to testify on behalf of additional wilderness designations. I think if we established a bad policy in the past, it is not too late to correct a bad policy.

Senator MURKOWSKI. Do you disagree, then, that the policy was the price for wilderness?

Mr. MRAZEK. I look at this issue, and I see no correlation between its problems and wilderness designations.

Senator MURKOWSKI. First, you make reference to value. Was something of value given for the up to at least $40 million?

Mr. MRAZEK. Well, I suggested earlier that I felt that there is a place for the timber industry in the Congress just as there is for tourism and commercial fishing to co-exist. We do not see a lot of Alaskan entrepreneurs because there is no competitive opportunity in the Tongass. Everything goes to the Pacific rim because that is where the money is coming from.

Senator MURKOWSKI. Just a minute. You said that there were two pulp mills in the state: one of the pulp mills was Japanese owned; and the other was not Japanese owned.

Now you are saying that the product goes practically in its entirety to the Pacific rim for the benefit of their owners. Obviously, that is not a totally correct statement if half the pulp mill industry is owned by U.S. entrepreneurs, Louisiana Pacific. Is that not correct?

Mr. MRAZEK. That is correct.

By the same token, I think there is probably a lot more profit in finished wood products, according to people like Steve Seeley in Wrangell, than there is in making pulp.

Senator MURKOWSKI. I have lived in Alaska all my life. I have lived in southeastern. I know Mr. Seeley. Mr. Seeley is pioneering an extraordinary experiment which we all hope is very successful.

Mr. LASCHEVER. Me, too.

Senator MURKOWSKI. I think if you had an opportunity to examine Mr. Seeley's balance sheet or financing, you would know that it is very, very much a marginal operation based on a cut of reality inasmuch as costs in Japan are going up. So no longer is it necessarily so attractive to take the round log. It is now more attractive to primary manufacture if you can get total utilization out of the product.

As you may or may not know, Congressman, every piece of domestic lumber in Alaska, without exception, is manufactured in the lower 48, as we say, in Puallop, and loaded aboard a boxcar or ship. There is very little lumber that is utilized in Alaska, simply because our geography is so diversified. We cannot afford to put in planar mills or dry kilns because our population is so small. So the only market we have is an export market.

When you talk about competitiveness——

Mr. **Mrazek**. You sound much more negative, Senator, than Mr. Seeley does in terms of the opportunities that exist.

Senator **Murkowski**. The opportunities are there, but the risk is also extraordinary. Otherwise, there would be more people standing in line to do it.

Mr. **Mrazek**. Well, if you give Mr. Seeley an opportunity to bid competitively on the timber stands in the Tongass instead of seeing it all taken at $2.26 per thousand board feet by Alaska Pulp and Louisiana Pacific——

Senator **Murkowski**. I think you will find that Mr. Seeley is very anxious to continue to bid. The Forest Service has been under a lot of pressure to put sales up so that he can have a timber supply.

When you talk about competitiveness, I think you are overlooking one thing, and I think it is appropriate that the record reflect it.

What are you going to do with the timber which makes up nearly 50 percent of the forest that has no other use than wood fiber? What is your suggestion?

Mr. **Mrazek**. It may be that there is not going to be a long-term market for that wood fiber.

Senator **Murkowski**. Well, what should we do with it, let it rot?

Mr. **Mrazek**. Let it rot? I thought a forest, in and of itself, provides an important habitat for the creatures that exist on this planet?

Senator **Murkowski**. Well, I know, but it is blown down and falls down. You have seen the forest. You have been through the Tongass Forest.

Mr. **Mrazek**. I have not seen enough of it.

Senator **Murkowski**. The practicalities of going in and logging just for marketable spruce and large stands of hemlock and leave 50 percent of the timber that is not worth taking out of the woods if you did not have the ability to dispose of it in pulp, is that good forest management practices?

Mr. **Mrazek**. The idea of taking it simply to give it away to the Pacific rim countries serves no purpose constructively to the people of southeastern Alaska.

Senator **Murkowski**. When you say "give it away', you indicate that there are 2,000 jobs. There are 3,000 jobs, actually. There are another 3,000 jobs that are totally dependent.

It would be like me going into your state and suddenly saying, well, this is how it is. My friend, that is not how it is. You are talking about putting people out of work. You are talking about a cost to the Federal Government which is impossible to calculate as to what the consequences would be if these contracts go into litigation. They have 20-odd years remaining. You are talking about subsidizing foreign countries.

You are not talking about reality. You are not talking about improved market or return to the taxpayer. You are talking about a period of time when the market was at an all-time low.

I think you can understand my sensitivity when you come in and suggest that we shut down our timber industry or come in under the guise of competitiveness. Without the disposal of half the timber, what kind of a case can you possibly make for competitiveness?

Mr. **Mrazek**. Senator, an awful lot of members of the House have taken a look at this issue, and it is hard for me to accept that members of Congress as disparate in their views as Newt Gingrich and Bob Dornan and a host of Republicans as well as the National Taxpayers Union, after looking at this issue rather carefully, is only looking at it from the perspective from which you suggest that I am looking.

I am very sorry that I cannot continue this dialogue.

Senator **Murkowski**. I am sorry, too, because I think the people of our state and our part of southeastern Alaska deserve the consideration of an evaluation.

I would urge you to talk to your friend, Steve Seeley, and get his opinions on the best utilization of the forest and whether, indeed, there is or is not a place for the pulp mills.

Senator **Wirth**. Congressman Mrazek, we thank you for being here. I realize you have to go and vote, and so do we. We appreciate your being here. Thank you very much.

The committee will stand in recess until we get back from this vote.

[A brief recess was taken.]

Senator **Wirth**. Senator Proxmire, your patience is overwhelming, as ever. We appreciate your waiting through the votes and the previous witnesses.

Please proceed in whatever way you think would be most appropriate and helpful.

STATEMENT OF HON. WILLIAM PROXMIRE, A U.S. SENATOR FROM THE STATE OF WISCONSIN

Senator **Proxmire**. Thank you, Mr. Chairman. You have more patience than I have. You were here when I came, and I am sure you are going to be here after I leave.

Thank you for giving me the opportunity to testify today in favor of my bill, S. 708, which repeals the Tongass timber provisions contained in S. 705 of the 1980 Alaska National Interest Lands Act.

My bill is sponsored by 12 other co-sponsors, including the distinguished Chairman of this subcommittee, Senator Wirth.

The House companion bill, H.R. 1516, introduced by Congressman Mrazek, who just testified, has 143 co-sponsors. In addition, the bill was supported by a large number of environmental groups, including the Alaska Center for the Environment, the Northern Alaska Environmental Center, the Southeastern Alaska Conservation Council, the Trustees for Alaska, and a number of other outstanding conservation groups.

The Tongass River Program is the subject of recent articles in a whole series of publications, and I would appreciate the subcommittee putting in the record those articles, which I will make available.

Senator **Wirth**. Without objection, so ordered.

Senator **Proxmire**. Mr. Chairman, section 705, a last-minute amendment to ANILCA, requires the Forest Service to offer for sale 450 million board feet of timber each year in the Alaska Southeastern Panhandle. The law sets up a separate permanent off-budget fund, immune from Congressional review, which must pay out at a minimum $40 million each year in subsidies for these sales. It is the only forest that is off budget.

Yet, even with these enormous subsidies, only 39.5 percent of the timber offered for sale in 1985 attracted buyers. Between 1981 and 1985, the Forest Service offered for sale 2.36 billion board feet of timber in the Tongass but sold only 43.7 percent. It spent $116 million building 255 miles of new roads to service the sales and lost on average 83 cents on the dollar for each sale.

Even worse, and Senator Bumpers referred to this statement in his questioning, last year's timber receipts covered less than one day's Tongass spending by the Forest Service, a loss of over 99 percent, and 1.3 billion board feet of timber still remains unsold.

In 1986, I gave this program my Golden Fleece Award as an example, and I quote, of "the most ridiculous, wasteful, ironic use of the taxpayers' money." Congress shared in the award along with the Forest Service because we approved the program that required this waste in the first place.

Why did the program deserve the Fleece? Aside from repealing laws of supply and demand, the Forest Service dreamed up such losers as the $5.5 million in 1984 and 1985 for almost 30 miles of roads and eight bridges in advance of a sale which drew no bidders. When this sale is reoffered, the minimum acceptable bid will bring in just $266,000, a loss of 95 percent.

Other Fleecable items include a bridge to nowhere across the Dangerous River in Yakutat, where no timber sales have been offered or planned for the near future, and a narrow miss at Berners Bay, where only a successful suited by environmental groups prevented the Forest Service from squandering $5 million on a 26 mile road for timber that it admitted it could not sell.

The Forest Service also spent $1 million in 1982 for a dormitory at Corner Bay which has never been occupied.

According to the Forest Service's own figures, the agency could lose as much as $6 billion over the next 50 years by continuing the Tongass program. That is the testimony of the Forest Service. We have a chance to reverse this dismal forecast by amending ANILCA and putting the Tongass Forest on sound financial footing.

Section 706 of ANILCA provides for a review of the program after its first five years of operation. That seems to me to be at least a significant answer to the argument that it was a deal in perpetuity.

Allowing the program to continue its business-as-usual practices in the face of our staggering deficits is an insult to the U.S. taxpayers who paid $36,000 last year each Tongass timber job. Accountability through annual appropriations will cancel the blank check we gave the Forest Service in 1980 while meeting the legitimate timber supply needs of southeast Alaska.

Mr. Chairman, even the huge economic waste of the Tongass program is slight when compared with the environmental harm caused by section 705. The Tongass is one of the last almost untouched temperate zone rain forests in the world. It houses the greatest concentration of bald eagles and grizzly bears left in the United States.

The region supports economically important salmon fishing and tourism industries, providing twice as many jobs as the timber industry. Yet, timber harvesting and the road building which supports it threaten the fisheries and detract from the natural beauty of the area.

The Tongass contains Sitka spruce trees which are up to 800 years old and old hemlock up to 200 feet tall. These resources are irreplaceable and should not be destroyed merely to carry out the mandate of the 1980 Act.

The section 705 program fails even as a job subsidy. Despite the $287 million pumped into the program from 1982 to 1986, timber jobs in southeast Alaska declined by 40 percent. According to the Forest Service's own 1986 testimony before the House Interior Committee, "given the reduced demand for Alaska sawn products in export markets since 1981, no amount of ANILCA investments could have maintained the timber industry employment at historic levels."

The program also competes with timber programs of the Alaskan Native corporations, which own some of the best timberlands in southeast Alaska. The Native share of the timber harvest increased from 13 percent in 1980 to 44 percent in 1984. Yet, Forest Service policies prevent the Natives from realizing as much as they could from their lands.

Native Corporations leave up to 50 million board feet of timber on the ground each year because they cannot compete against subsidized Tongass timber.

Finally, Mr. Chairman, according to the American Forestry Association, the real experts in this debate, "The Tongass has been and continues to be managed under prescriptive legislation that preempts rational management by the Forest Service."

According to their testimony, and I quote again, "the problem with this 1980 deal is that it locks spending into one aspect of the Tongass timber supply and roads without dealing with some basic issues of forest integrity and economic stability." They believe that the timber management program on Tongass should be "developed on the basis of the resource capacity of the forest as outlined in a modern forest plan and not some Congressional concoction."

I urge my colleagues to rethink the Tongass timber program and come up with something better which spares the economy and the environment.

[The prepared statement of Senator Proxmire follows:]

Sen. William Proxmire
November 3, 1987

TESTIMONY OF SENATOR WILLIAM PROXMIRE
before
THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. Chairman, thank you for giving me the opportunity to testify today in favor of my bill S. 708 which repeals the Tongass timber provisions contained in S. 705 of the 1980 Alaska National Interest Lands Act (ANILCA). My bill is cosponsored by Senators Chafee, Gore, Humphrey, Leahy, Lugar, Metzenbaum, Moynihan, Pell, Riegle, Roth, Sanford and Wirth.

The House companion bill, H.R. 1516, introduced by Congressman Mrazek of N.Y., has 143 cosponsors. In addition, the bill is supported by the Alaska Center for the Environment, American Littoral Society, American Rivers Conservation Council, Appalachian Mountain Club, Defenders of Wildlife, Environmental Defense Fund, Environmental Policy Institute, Friends of the Earth, Garden Clubs of America, National Audubon Society, National Parks and Conservation Association, National Taxpayers Union, Natural Resources Defense Council, Northern Alaska Environmental Center, Sierra Club, Southeast Alaska Conservation Council, Trustees for Alaska, and The Wilderness Society as well as the American Forestry Association. Representatives of the American Forestry Association will not be able to testify today, but I will touch on the high points of their testimony and submit it for the record.

The Tongass timber program is the subject of recent articles in Life, New Republic, Readers' Digest, Audubon and Traveler magazines and forthcoming issues of Sport Illustrated, and Insight. I would like to submit these articles for the record as they become available. Major U.S. newspapers such as the New York Times have editorialized in favor of S. 708, and I would like to submit a few of these as well.

Mr. Chairman, S. 705, a last minute amendment to ANILCA, requires the Forest Service to offer for sale 450 million board feet of timber each year in Alaska's southeastern panhandle. The law sets up a separate, permanent, off-budget fund immune from congressional review which must pay out, at a minimum, $40 million each year in subsidies for these sales. Yet even with these enormous subsidies, only 39.5% of the timber offered for sale in 1985 attracted buyers. Between 1981 and 1985 the Forest Service offered for sale 2.36 billion board feet of timber in the Tongass, but sold only 43.7%, spent $116 million building 255 miles of new roads to service the sales, and lost on average 83 cents on dollar for each sale. Even worse, last year's timber receipts covered less than 1 day's Tongass spending by the Forest Service, a loss of over 99% and 1.3 billion board feet of timber still remains unsold.

In 1986 I gave this program my Golden Fleece Award, as an example of "the most ridiculous, wasteful, or ironic use of the taxpayers' money." Congress shared in the award along with the Forest Service because we approved the program that required this waste in the first place.

Why did the program deserve a fleece? Aside from repealing the laws of supply and demand, the Forest Service dreamed up such losers as the $5.5 million spent in 1984 and 1985 for almost 30 miles of roads and 8 bridges in advance of a sale which drew no bidders. When this sale is reoffered, the minimum acceptable bid will bring in just $266,233, a loss of 95%. Other fleecable items included a "Bridge to Nowhere" across the Dangerous River in Yakutat where no timber sales have been offered or planned for the near future and a narrow miss at Berners Bay, where only a successful suit by environmental groups prevented the Forest Service from squandering $5 million on a 26-mile long road for a timber it admitted that it could not sell.

The Forest Service also spent $1 million in 1982 for a dormitory at Corner Bay which has never been occupied.

According to the Forest Service's own figures, the agency could lose as much as $6 billion over the next 50 years by continuing the Tongass program. But we have a chance to reverse this dismal forecast by amending ANILCA and putting the Tongass Forest on sound financial footing.

Section 706 of ANILCA provided for a review of the program after its first five years of operation. Allowing the program to continue its business-as-usual practices in the face of our staggering deficits is an insult to U.S. taxpayers who paid $36,000 last year for each Tongass timber job. Accountability, through annual appropriations will cancel the blank check we gave the Forest Service in 1980 while meeting the legitimate timber supply needs of southeast Alaska.

Mr. Chairman, even the huge economic waste of the Tongass program is slight when compared with the environmental harm caused by S. 705. The Tongass is one of the last almost untouched temperate zone rain forests in the world. It houses the greatest concentration of bald eagles and grizzly bears left in the United States.

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Finally, Mr. Chairman, according to the American Foresty Association, the real experts in this debate, "The Tongass has been, and continues to be, managed under prescriptive legislation that preempts rational management decisions by the Forest Service." According to their testimony, "The problem with this 1980 deal is that it locks spending into one aspect of the situation on the Tongass--timber supply and roads--without really dealing with some basic issues of forest integrity and economic stability." They believe that the timber management program on Tongass should be "developed on the basis of the resource capacity of the Forest, as outlined in a modern forest plan" and not some Congressional concoction.

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Reader's Digest
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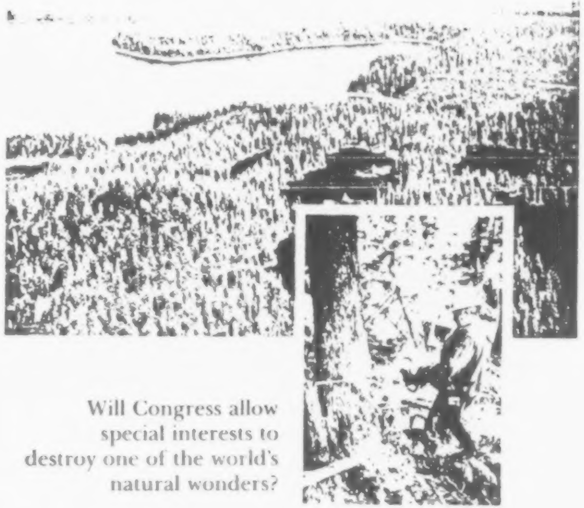
Time to Ax This Timber Boondoggle

Bennett H. Beach



Will Congress allow
special interests to
destroy one of the world's
natural wonders?

Time to Ax This Timber Boondoggle

Condensed from THE NEW REPUBLIC

BENNETT H. BEACH

THE NEW REPUBLIC (MAY 26, '86), © 1986 BY THE NEW REPUBLIC, INC., 1220 19 ST., N.W., WASHINGTON, D.C. 20036
PHOTOS OF TONGASS NATIONAL FOREST: (TOP) TOM BEAN/ALASKA PHOTO
(BOTTOM) MATT DONOHOE/ALASKA PHOTO

SOME 4000 miles from Washington, D.C., deep in an ancient Alaskan rain forest, the federal government is running a business that loses 98 cents on every taxpayer dollar it spends. Losses are more than $50 million a year. Meanwhile this logging operation, under U.S. Forest Service supervision, is destroying the only largely intact rain forest left in the world's temperate

zones. The government's purpose is to create a timber industry in southeast Alaska, and that is failing as well.

This particular boondoggle started innocently enough. Southeast Alaska is a 500-mile panhandle running along the Pacific Ocean. Eighty percent of it lies in the Tongass National Forest, at 16.8 million acres the largest of our 155 national forests. Ever since the early 1900s, the federal government has seen timbering as an ideal way to attract warm bodies to this cold, wet, isolated piece of America.

Early efforts were a bust. Finally, in the 1950s, the Forest Service persuaded two large pulp companies to set up shop there. Among the inducements were 50-year contracts and bargain-basement timber prices, so that they could compete against mills in Washington State.

The market for the forest's output was Japan, with small percentages going to other Pacific-rim countries. The pulp-grade timber, about 60 percent of the average Tongass clear-cutting, ultimately was turned into rayon and cellophane. The rest was shipped as logs to be milled overseas and used for housing construction and special items such as pianos.

Though at the outset demand was reasonably strong, the government still lost money in this job-creating venture. An average mile of road built to reach the trees costs $150,000. To make the undertaking profitable for the companies, the government had to provide a large subsidy.

In 1980 the Alaska National Interest Lands Conservation Act (ANILCA) sought to preserve 5.4 million acres of the Tongass as permanent wilderness. Alaska timber interests, led by Sen. Ted Stevens (R., Alaska), manuevered to change the legislation. The result was Section 705 of ANILCA, which set a goal of selling 4.5 billion board feet from the Tongass per decade, roughly one percent of the nation's total output. To cover the costs of building roads, surveying and overhead, the section provides a minimum $40-million *permanent* annual appropriation, "or as much as the Secretary of Agriculture finds is necessary," to meet the goal.

Meanwhile, modern technology had found synthetic substitutes to be cheaper than pulp for making sandwich wrappers and rayon shirts. Countries such as South Africa, where trees grow more quickly and are cheaper to harvest, underbid Alaska for the remaining demand.

Timber jobs in southeast Alaska began to dry up. Since passage of ANILCA six years ago, they have declined by 40 percent, to fewer than 1800. In 1984 the demand for board feet was slightly over half of the 450 million feet per year contemplated by Section 705. Undeterred, the Forest Service squandered $11 million on roads and other preparatory steps for timber sales that no company would bid on. For each job still maintained by the Tongass program, U.S. taxpayers are kicking in $36,000 a year. The two prime beneficiaries of this largess are the Ketchikan Pulp Co. and the Japanese-owned Alaska Pulp Corp.

Even in southeast Alaska, the Forest Service's enthusiasm for timber cutting is not universally appreciated. Commercial fishermen told Congress that the logging and road-building cause erosion damaging to world-famous salmon-spawning beds. Log-transfer facilities along the shore have forced out some fishing fleets. The area's fishing industry provides more jobs than the timber industry does—without federal subsidy. The logging also threatens tourism, the region's fastest-growing industry, now creating more jobs all the time.

Then there is the matter of a magnificent natural wonder being destroyed. The Tongass features thousands of lakes, islands and streams. There are alpine meadows and fjords against a backdrop of snowcapped mountains. Sitka spruce that were seedlings when King John signed the Magna Charta soar 250 feet. And this rare rain forest contain's the world's largest concentrations of bald eagles and grizzly bears.

The Forest Service stubbornly insists on believing that the timber program is good for the local economy. That has been its premise for 75 years, and such long-held views are hard to change. Since the advent of the post-World War II housing boom, national forests have supplied about 20 percent of this country's timber. The Forest Service, a 38,000-employee bureaucracy, has staffed up with surveyors, road engineers and others who move up the ranks by putting lots of board feet on the scoreboard. Convincing them that it makes no economic sense is nearly impossible.

This is a problem not only in Alaska. Two years ago, studies by the General Accounting Office, the Congressional Research Service and the Wilderness Society revealed that timber programs in many national forests are costing taxpayers more than what timber companies are paying for the wood. The losses in the last fiscal year alone amounted to hundreds of millions of dollars. The Forest Service conceded that 37 percent of its timber is being sold below cost.

But the Tongass is the only forest with a money-losing timber program written into law. Fortunately Section 705 calls for a review of the program after five years. The House Interior and Insular Affairs Committee has now completed oversight hearings. This review of the Tongass timber program gives us a chance to save money, save nature, and save face—if Congress has the fortitude to stop this boondoggle.

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THE NEW YORK TIMES, THURSDAY, JUNE 25, 1987

Paying Twice to Ruin a Rain Forest

Here's a Federal plan so wrongheaded it's likely to provoke profanity from any fair-minded person:

1. Find a rare rain forest full of magnificent old trees.

2. Set aside millions of acres in the forest for logging, even though there's plenty of timber on the market.

3. Since the value of the timber therefore can't possibly cover the costs of cutting roads deep into the wilderness, give a Government agency all the money it needs to bulldoze the forest.

4. To insure that the taxpayers don't balk, make the appropriation permanent, thus averting regular review by Congress.

That, more or less, is the Federal program for the Tongass National Forest in Alaska, a land of pristine salmon streams and towering evergreens. The Carter Administration agreed to this Tongass giveaway to win votes for a division of Federal land in Alaska. Now, sensibly, many members of Congress want to undo a deal that's as reckless with Federal dollars as it is with Alaska's environment. They deserve warm support.

•

Tongass is the largest of national forests, a land the size of West Virginia covering most of Alaska's southern panhandle. The huge preserve is prized for its beautiful mountain landscapes and majestic Sitka spruce, as well as its unusual temperate rain forest environment. Yet it has little economic value. Left to market forces, Tongass would support little more than modest tourist and fishing industries on its fringes.

Some 30 years ago, however, as part of an ill-conceived development policy, Washington persuaded two pulp processing companies to set up shop in the forest. And in 1980, when Jimmy Carter was eager to settle the disposition of Alaskan lands, the pulp processers used their political leverage to extract the maximum advantage.

The settlement requires the Forest Service to spend whatever it takes to enable private bidders to harvest an average of 450 million board feet a year from the forest. That was a bad deal seven years ago. Today, with the market for timber in chronic glut, it is a grim joke. Uncle Sam is required to spend $50 million a year on the loggers' behalf, while receiving only $1 million in fees.

The Forest Service, whose bureaucracy often fails to distingush public interest from private, defends logging in Tongass as a jobs program. It's true that logging employs some 1,900 people. But the logging jeopardizes other, jobs, in tourism and salmon fishing. In any case, what logic is there in asking the taxpayer to cover the wages of workers hired to chop down 500-year-old trees that hardly anyone wants to buy?

There's no logic at all, only pandering to special interests. That's why Representative Robert Mrazek, the Long Island Democrat, is leading an effort in the House to eliminate the fixed logging target and to subject the subsidy to annual review. Similar legislation is pending in the Senate. The sooner Congress ends this economic and ecological scandal, the better.

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The Last Great Rain Forest

The Tongass National Forest, the last great rain forest in the United States, is being destroyed, pointlessly, by the Government that professes to care about preserving the nation's environment. Why?

The forest, which covers most of the southern panhandle of Alaska, is bigger than the state of West Virginia. The value of this land of centuries-old spruce is aesthetic and ecological rather than economic. Access is hampered by harsh weather, difficult terrain and distance to market.

During the development mania of the 1960's, however, two timber companies were induced to build pulp mills in the area by guaranteeing them the right to log the forest at a profit for 50 years. Then, in 1980, when Congress was debating the status of Alaska's public lands, Senator Ted Stevens fought successfully to lock in their deal.

A provision of the new land law set a goal of harvesting 4.5 billion board feet of timber each decade, roughly 1 percent of all U.S. production. The Forest Service was authorized to spend whatever was necessary to meet the goal. Since then, world prices for timber have fallen sharply and are likely to remain low for decades. That has made Tongass lumber almost worthless, even with the heavy subsidies.

Yet the pulp companies, which have made substantial investments in the region, see no reason to let Uncle Sam off the hook. And in spite of the inevitable environmental damage, the Forest Service seems happy to oblige.

Between 1982 and 1985 Washington spent $253 million to build roads through ancient forests populated by the continent's heaviest concentration of bald eagles and grizzly bears. One-third of the timber land opened drew no bids at all. The rest sold for peanuts — less than $10 million in total.

The pulp companies and Alaska's Congressional delegation justify continuing Federal outlays as a means of saving some 1,500 logging jobs in the region. It would be cheaper just to pay each logger $36,000 a year — and it would protect the environment besides. In the end, moreover, the subsidy may cost more jobs than it saves. Soil runoff caused by lumbering threatens the river breeding grounds of salmon, the largest source of income in the panhandle.

•

The House Interior Committee is working to scrap the permanent subsidy for Tongass, and halve the current $50 million annual expenditure. That would be far preferable to logging as usual. A better — and ultimately cheaper — reform would be to suspend logging indefinitely and offer compensation to the workers and businesses affected.

There might come a day when the forest's value for wood, minerals or recreation exceeds the intangible benefits from preserving the wilderness. But that day is a long time off. To cut Tongass now, and at a loss underwritten by the taxpayer, amounts to theft of the national heritage.

Daily Clips

Los Angeles Time, Wednesday, May 7, 1986

Alaska Travesty

During the past decade, the U.S. Forest Service has lost more than $260 million in subsidizing two monopoly timber companies in a vain attempt to prop up the lumber industry in southeastern Alaska. The bulk of this timber is not used to make boards to build houses, but to be ground into pulp, mostly for export to Japan to make synthetic fiber. In the process, the federal government participates in the destruction of one the nation's rare rain forests and outstanding wildlife habitats in the Tongass National Forest.

Back in the 1950s, the Forest Service guaranteed the two firms a long-term supply of timber if they would build pulp mills in the region south of Juneau. The idea was to help settle the region and provide a solid lumbering economy. It may have made some sense then, but not now. The market for the timber has plunged by nearly 50% since 1980 and jobs have declined from 3,000 to 1,800. Alice Rivlin, former director of the Congressional Budget Office and a member of the Wilderness Society's governing council, said, "I found it an absolutely fascinating example of public policy gone astray."

The Tongass giveaway was locked into the Alaska lands act of 1980, requiring the Forest Service to spend up to $40 million a year to maintain the timber supply to the firms, although much of the timber has gone unsold. Even the Forest Service sees no resurgence in the market, but believes it has a mandate to build roads and hold sales anyway.

Fortunately, Congress directed in 1980 that this provision of the Alaska bill be reviewed this year. Hearings begin in the U.S. House on Thursday. Congress and the Administration should move quickly to protect the best old-growth stands of timber and wildlife habitat and put timber sales on a competitive, short-term basis that at least will end the giveaway of taxpayer money.

TUCSON, AZ.
STAR
[illegible]
TUCSON METROPOLITAN AREA

M[illegible] 3 [illegible]

Selling the forest

Taxpayers and trees are getting clipped in Alaska

[illegible]

Forests are special places, but Alaska's Tongass National Forest is more special than most. It represents a legislated rip-off of both the taxpayer and a unique environment.

In the land of Tongass, which is home to the largest concentrations of bald eagles and grizzly bears in America, the Forest Service has carte blanche to spend $40 million a year "or whatever sums are necessary" to log 4.5 billion board feet of timber per decade.

Section 705 of the 1980 Alaska National Interest Lands Conservation Act (ANILCA) sets this goal. The Tongass is unique among all national forests because the logging is mandated regardless of cost, demand for lumber, or damage to the environment.

The Forest Service spends as much money as it needs to build roads and otherwise help the Alaska Pulp Corp. and the Louisiana Pacific Ketchikan get the wood. The taxpayer gets the bill, which amounts to more than $50 million a year, according to a detailed study compiled by the Wilderness Society.

Nice work if you're lucky enough to have one of those exclusive 50-year contracts to buy lumber from the Forest Service.

But Section 705 isn't the only thing that makes the Tongass special. It contains one of the last virgin rain forests in the world's temperate zones.

The Forest Service's research branch calls this forest "rare." The Tongass' old growth areas contain 800-year-old spruce that are 10 feet in diameter and tower 250 feet. Those giants look down on 200-foot hemlocks.

The Society of American Foresters says, "With present knowledge, it is not possible to create old growth stands ... the best way to manage for old growth is to conserve an adequate supply of present stands and leave them alone."

But the Forest Service continues to finance clear-cutting of this forest at taxpayer expense. Under the current provisions of ANILCA's Section 705, 75 percent of the remaining old growth in Tongass will be logged or scarred with logging roads.

Demands for logs and wood pulp are declining, but that doesn't matter. Under the provisions of the Section 705, the cutting will continue regardless of whether anybody wants to buy.

Taxpayers get a return of about 7 cents on every dollar. But Wilderness Society officials estimate that even if the government buys out the contracts with the two companies cutting in Tongass and subsidizes job retraining to help loggers, the cost to the taxpayer would be less in the long run than continuing the current practice.

The House is scheduled to begin five-year-after hearings on the ANILCA next Thursday. It is essential that Congress remove or revamp Section 705 and make provisions to guard an ecological treasure

Its natural wonders should be the only unique thing about Tongass National Forest.

THE HARTFORD COURANT
HARTFORD, CT
D. 219,387 SUN. 295,250

MAY 7 1986
BURRELLE'S

An Expensive Timber Harvest

E 5777

The Wilderness Society, a prominent conservationist group, has called attention to a logging operation that deserves Congress's attention: an extensive commercial timber harvest in a rare Alaskan park that apparently costs taxpayers millions of dollars.

Tongass National Forest, off the Canadian coast north of Puget Sound, is described as the only rain forest that is left largely intact in the world's temperate zone.

Much of it is in fact set aside from the woodsman's ax. But there are extensive tracts where logging is allowed under government contract. Conservationists say the forests are being stripped.

Moreover, the Wilderness Society points to heavy governmental costs to facilitate the logging, with little return. The U.S. Forest Service spends about $40 million each year — about a third of it building access roads and the balance for reseeding, cleaning up the unlogged stands of trees and administration.

Five years ago, the federal government took in $21.5 million a year from logging contractors — even then, less than the cost of facilitating the logging. In the years since then, Uncle Sam's revenue from timber sales in the Tongass has slumped dramatically — to about $100,000 last year.

The two logging companies doing most of the cutting have long-term leases, and the industry provides some 3,500 jobs, one of the few sources of stable employment in an area nearly the size of West Virginia. It may be complicated to undo what appears an unwise contract, and some help would doubtless be needed to ease the impact on the local economy.

But at a time when federal expenditures for vital services are being trimmed, it hardly makes sense to go on paying almost $40 million a year in order to earn a tiny fraction of that amount from timber cut from a unique environment.

ST PETERSBURG TIMES
ST PETERSBURG, FL
D 251,880 SUN 323,413

MAY 5 1985
Burrelle's

EDITORIALS

Timbering in the Tongass

Centuries of nature's work created the Tongass National Forest in Alaska, one of the last major stands of magnificent old-growth rain forest anywhere on the planet outside the tropics. Giant spruce 800 years old and ancient hemlock soar into the sky. Sunlight streams through the canopy of tall trees and dances on dew. Lush ferns and moss carpet the forest floor. Salmon spawn in its streams. Bald eagles nest in its trees. Grizzly bears prowl its deepest wilderness.

Decades of man's work have left a jagged, tortured landscape in the Tongass. Roads and debris mar large, bare swaths of it — ugly remnants of a lumbering program that has been called the most flagrant example of senseless forest management in the United States.

Very few Americans know very much about their largest national forest. However, members of Congress later this week will be hearing a lot about what is going on in the Tongass. The 1980 Alaska Lands Act required the U.S. Forest Service to report to the Congress on the status of the Tongass logging program five years after the law was passed. Hearings on that report begin Thursday before the House Interior Committee.

Once the home of 800-year-old Sitka spruce, this 1981 clearing is marred by roads and debris.

For the last two years, the Wilderness Society has been doing its own studying. The respected conservation group found public policy gone far astray in the forest. In a report released last week, the society asserted that the federal logging program in the Tongass — which was supposed to establish a viable timber industry in Southeast Alaska and create jobs — is doing irreparable damage to the forest and costing American taxpayers more than $50-million a year.

In 1984, the federal government spent nearly $58-million building logging roads and otherwise preparing for timber sales in the Tongass. It got back less than $4-million in lumber sales — about 7 cents on the dollar. Timber cut at many national forests is sold to private companies below cost. But the loss per dollar spent is higher in the Tongass than in any other national forest, according to the Wilderness Society.

For the past three years, the Forest Service received bids on only half of the Tongass timber it offered. Prospects for the future sales look no better. The demand for Tongass logs and pulp in Japan, which buys most of the timber, continues to decline, and it's likely to remain that way, says Alice Rivlin, director of economic studies for the Brookings Institution and a member of the society's governing council.

During a budget crisis that is forcing deep cuts in housing, education, medical care and nearly every other domestic program, it is beyond belief that the federal government is squandering tens of millions of dollars on a lumber subsidy that is doing far more harm than good. The Wilderness Society wisely advises Congress to reform the Tongass timber program for the following reasons:

- ✓ A rare rain forest is being destroyed. Wild populations of bald eagles, grizzlies and other wildlife are endangered.
- ✓ The federal government is losing 93 cents of every tax dollar spent, at a rate of $200,000 every working day.
- ✓ The logging program is failing its only mission: To sustain the local timber industry. Since 1980, the number of timber jobs in the area has dropped from 3,055 to fewer than 1,800. To subsidize each Tongass-based timber job, American taxpayers now pay $36,000 a year.
- ✓ Salmon are being harmed by sediment deposited on their spawning beds and by changes in stream flow and water temperature that result from road building and logging. In turn, that threatens the region's important fishing industry, which provides 50 percent more jobs than the timber industry.
- ✓ The destruction of the Tongass' spectacular wildness threatens Alaska's fastest-growing industry — tourism.
- ✓ The loss of salmon, deer and other wildlife will make it more difficult for native Alaskans to feed themselves. Ninety percent of the households in the Tongass region depend in part on wildlife for food.

Using taxpayer dollars to subsidize the destruction of an irreplaceable rain forest and shipping the plunder overseas to produce rayon, cellophane, bags and table tops is irrational public policy. The Tongass timber program is environmental and economic folly at a time when this country can afford neither. Congress' responsibility is clear.

TALLAHASSEE, FL
DEMOCRAT
D. 52,433 SUN. 62,549

MAY 3 1986
BURRELLE'S

Excessive lumbering threatens several native species, including humans

Alaska

EDITORIAL

Stop rain forest destruction

E 5799

Would the U.S. Forest Service help destroy an Alaskan rain forest at the same time the United States is urging other governments to preserve them?

Sure it would.

Would a conservative federal administration, facing a massive deficit and urging cuts in all manner of programs, condone one that is losing 93 cents of every tax dollar spent?

Sure it would.

Would Congress stand by and watch valuable wildlife habitat, vital to the natives of Alaska, destroyed?

Sure it would.

All of the above is happening because of a provision in the Alaska 1980 National Interest Lands Conservation Act that set a goal of 4.5-billion board feet for the Tongass National Forest's timber companies each decade.

A 215-page report by The Wilderness Society, the result of a two-year study, documents the folly of that provision, which was added at the last minute. Despite the influx of tax dollars – $36,000 a year for each Tongass-based timber job – the number of those jobs has declined since the act's passage from 3,055 to fewer than 1,800.

The excess lumbering is not only endangering bald eagles and grizzlies, but also threatens the salmon and deer in an area where 90 percent of the households depend on wildlife for food.

"It is hard to believe that during a budget crisis that is forcing deep cuts in housing, education and nearly every other federal activity, the government is spending tens of millions of dollars on a program that does more harm than good," said Alice Rivlin, director of economic studies for the Brookings Institution and a member of the Wilderness Society's governing council.

It is indeed.

The act calls for a five-year review; hearings in the House begin May 8. When that review ends, the wasteful destruction of a rare U.S. rain forest should also end.

Scottsdale Progress 5/21/86

Save the Tongass

A LOT OF ARIZONANS will be visiting Alaska this summer. It is a good place to go when it gets hot here. Obviously Alaska is cooler. It also is mostly green, beautiful and the home of fascinating wildlife.

If you travel by boat, ship or plane, you will see the Tongass National Forest. This magnificent area dominates the Alaskan Panhandle, but it is not as beautiful as it once was. The reason is simple. It has been exposed to timber clear-cutting, which has denuded huge hillsides. You will see the clear-cuts from your plane or ship.

The Tongass is one of America's few genuine rain forests. It is the home of bald eagles, grizzlies, moose and other wildlife, and it provides spawning streams for millions of salmon.

A recently released 255-page report by the Wilderness Society reveals how federally supported logging is seriously damaging the Tongass. The report points out that timber is being sold at a huge loss — 93 cents on every dollar spent.

Ironically most of the Tongass timber that is harvested is sold to Japan.

A few years ago most Alaskans supported large-scale lumbering in the Tongass. But lumber jobs have been declining, and fishing interests are complaining that timber operations are jeopardizing the salmon industry by polluting spawning streams.

Subsidies for harvesting Tongass timber were designed originally to help several large lumber companies. In view of the federal budget deficits, elimination of the subsidies would make much fiscal sense. It would make even more environmental sense.

If you travel to Alaska this summer, check out the clear-cutting and what the timber harvest is accomplishing. For the Tongass is a unique and beautiful place that is worth preserving for future Americans.

The Modesto Bee May 25, 1986

The Tongass National Forest timber folly

We're losing a southeast Alaskan rain forest and paying $50 million a year to do it

Nelson, a former U.S. Senator and founder of Earth Day, is a counselor for The Wilderness Society.

By GAYLORD NELSON

Environmental folly is almost always economic folly, too. They travel hand in hand, but often the connection is obscure and doesn't become clearly visible until time and events educate us. In her book "Silent Spring," Rachel Carson awakened the nation to the enormous costs of environmental pollution. The quarter-century since has revealed the link time and again: Love Canals, acid rain, hazardous waste dumps, and more.

The Tongass National Forest in Alaska presents a classic case of environmental and economic folly so closely linked and so obvious that even the most casual observer can see it in a moment or two. Unfortunately, very few in the Congress or elsewhere have bothered to look. When they do, they will be startled by what they discover.

The essential facts are simple enough. n the Tongass, the U.S. Forest Service is sing more than $50 million a year selling trees. For every dollar spent by the deral government to sell this timber, e taxpayer is losing 93 cents. In the ocess, an irreplaceable and priceless d-growth rain forest is being destroyed.

The setting for this costly program is theast Alaska, a panhandle stretching 0 miles down the Pacific coast toward itish Columbia. The coastline is sprined with hundreds of islands, rivers, tes, fjords, and alpine meadows, ainst a backdrop of snow-capped untain peaks. It harbors an abundance wildlife, including whales, salmon, zzly bear, deer, and the nation's larg concentration of bald eagles.

qually important, it shelters a pres remnant of our heritage representing hundreds of years of nature's works — one of the last major stands of majestic old-growth rain forest anywhere on the planet outside of the tropics. Giant sitka spruce 800 years old and 10 feet in diameter soar 250 feet or more.

Wilderness Society photo

A harvested section of the Tongass National Forest near Kake, Alaska

Only 100,000 acres of these magnificent stands are left in the 16 million acre Tongass National Forest. Tragically, they are headed for oblivion, and the taxpayer is subsidizing their demise. Under Forest Service plans, the rain forest will be destroyed over the next few decades. At current loss rates, timber sales from this forest will cost the taxpayer more than $2.5 billion during the next 50 years.

The problem has evolved over several decades as the Congress and the Forest Service have attempted, and failed, to establish a viable timber industry in southeast Alaska. In order to persuade reluctant companies to

Tongass, the Forest Service made them an offer they couldn't refuse. Fifty-year exclusive contracts were negotiated with two pulp producers at exceptionally "attractive prices." The result: federal timber is offered and sold at huge losses.

Even at peak employment, Tongass timber sales lost money. Increased competition from other suppliers and synthetic substitutes for dissolving pulp reduced demand. Jobs fell from 3,000 in [illegible] to 1,800 by 1984. Between 1977 and 1984, Tongass timber sales cost the taxpayer a whopping $261 million. The Forest Service itself concedes that "unless a major new market can be found, a long-term decline in Alaska's timber industry is anticipated..." No such new market is on the horizon.

The engine driving this timber machine is Section 705 of the 1980 Alaska Lands Act. This unique provision sets an arbitrary goal of supplying 4.5 billion board feet of Tongass timber per decade and provides a permanent annual appropriation of at least $40 million to enable the Forest Service to spend money building roads and preparing sales — even if there are no buyers.

However, the act's section 706 calls for a formal congressional review. It directs the Forest Service to report to Congress on the status of the Tongass, and the House held hearings May 8 and 9. As a result, Congress now is finding out that Tongass timber sales are costing the taxpayer $200,000 every working day and destroying our own rare rain forest — while we piously urge other countries to save theirs. There is no rational justification for continuing our wasteful timber practices in the Tongass. Congress and the president should grasp this opportunity to strike a blow for the economy, a balanced budget and

THE NEW YORK TIMES, TUESDAY, APRIL 29, 1986

Forest Service Accused On Alaska Timber Pact

By PHILIP SHABECOFF

Special to The New York Times

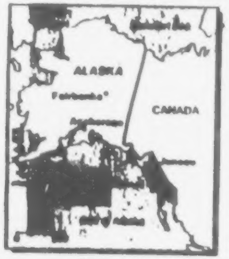
WASHINGTON, April 28 — The Wilderness Society asserted today that the United States Forest Service was destroying a rare rain forest in Alaska while losing millions of dollars a year by selling its timber at a loss.

The Forest Service's sales of timber from the Tongass National Forest in southeast Alaska are costing the taxpayers over $50 million a year, according to the society, a leading conservation group. It found in a study that the service recovered only 7 cents on every dollar it spent building logging roads and otherwise preparing for timber sales in the Tongass.

Meanwhile, the report said, the timbering activities are destroying large areas of what it described as "the only largely intact rain forest left in the world's temperate zones."

Many of the national forests sell timber to private interests at rates that bring in less money than it costs to prepare the sales.

The society cited this year's budget report by the Office of Management and Budget that said the Forest Service's expenditures for timber sales would exceed its receipts from such sales by $821 million. But the report said that the loss per dollar spent was higher in the Tongass than in any other national forest.



The New York Times / April 29, 1986

The national forest, a little larger than the state of West Virginia, covers 25,000 square miles.

Calls for Change in Land Act

The society said it was calling for a moratorium on logging and road building in parts of the forest that were an important fish and wildlife habitat. It said the Alaska Lands Act of 1980 should be changed to eliminate special privileges and subsidies for logging companies and to require "sound forest planning principles" in the Tongass.

Diane O'Connor, press officer for the Forest Service, said that service officials had not had time to study the report and did not know how the society calculated the losses from timber sales.

However, she said the figures appeared to include such things as long-term timber research, which should not be considered a loss. She also said that the subsidized timber sales in the Tongass had been included as part of a compromise reached when Congress passed the Alaska National Interest Lands Conservation Act of 1980.

'No-Win Timber Program' Seen

Alice Rivlin, director of economic studies for the Brookings Institution who is a member of the society's governing council, said at a news conference today that "it is hard to believe that during a budget crisis that is forcing deep cuts in housing, education, and nearly every other Federal activity, the Government is spending tens of millions of dollars on a program that does more harm than good."

Former Senator Gaylord Nelson, now counselor to the society, said, "Both the taxpayer and the environment are losers" in what he called the "no-win timber program" in the Tongass.

Wilderness Society photograph is said to show a harvested section of the Tongass National Forest in Alaska

The Alaska Lands Act, which set aside millions of acres for parks, wilderness areas and other public purposes, also contains provisions providing an annual appropriation of up to $40 million a year to pay for timber operations in the Tongass and authorizing the sale of 4.5 billion board feet of timber from the forest over a decade.

Two companies, the Alaska Pulp Corporation, which is owned by Japanese interests, and Louisiana Pacific-Ketchikan, have an exclusive 50-year contract with the Forest Service to buy timber from the Tongass on favorable terms.

The contract, which is not scheduled to expire for 30 years, along with the other Tongass provisions, was intended to encourage the development of a timber industry in southeast Alaska.

But the Wilderness Society report said demand for timber for the region was down sharply for a number of reasons, including a stagnant market for the products created from its pulp, and was likely to remain that way.

Society officials said it would be much less expensive over the long run, and critical for the environment, if the Government bought out the contract with the two companies and subsidized job-retraining and other measures to help the loggers who would be put out of work by ending the subsidies.

George Woodbury, chief logging engineer for Louisiana Pacific-Ketchikan, said that "this issue is not about a subsidy but about a land withdrawal settlement made years ago." As for the company's contract with the Forest Service, he added, "Why should it be canceled when we are more than 30 years into it and it is providing the bulk of jobs in southeast Alaska."

Nobody was immediately available for comment from Alaska Pulp.

Alaska Lease Sale Blocked

SAN FRANCISCO, April 28 (AP) — A Federal appeals court upheld today an order blocking a major oil and g lease sale in Alaska, citing the possibi lity that hunting and fishing would be a fected.

The United States Court of Appeal for the Ninth Circuit rejected argu ments by the Reagan Administratio and 10 oil companies seeking to tak part in the lease sale on 5.6 millio acres of the North Aleutian Basin Alaska.

Lease Sale 92, approved by the In terior Department in December, wa to have been held in January but wa blocked by Federal District Judg James von der Heydt, who ruled th the department had not adequatel studied the potential effect of oil expl ration on subsistence hunting and fis ing.

The ruling halts the sale until the d partment holds hearings on the effec of the lease sale and reports on possibl methods of reducing any harmful e fects.

Juneau Empire
Juneau, AK
APR 28 1986

Report criticizes Tongass timber management

By JOHN CARTER
EMPIRE WASHINGTON BUREAU

WASHINGTON – Mandated harvesting in the Tongass National Forest is costly and "irrational public policy," according to a Wilderness Society report released today.

The 208-page study of the U.S. Forest Service's management of the Tongass indicates that "excessive logging and roadbuilding ... is destroying an ecosystem of incalculable value."

Wilderness Society President George T. Frampton Jr. said the report will be used to lobby Congress to change provisions of the Alaska National Interest Lands Conservation Act that require the Forest Service to spend at least $40 million a year to supply 4.5 million board feet of timber per decade.

The forest service "is squandering millions selling timber at a loss," said former Sen. Gaylord Nelson, counsel to the Wilderness Society.

The U.S. Treasury lost $280 million between 1977 and 1984 on sales of timber from the Tongass, according to the report. In 1983 and 1984, the Tongass timber program lost 91 cents for each taxpayer dollar spent.

"This is public policy gone astray," said Alice Rivlin, Wilderness Society board member. "They had a good intention of providing jobs, but the economic world has turned against this industry. What was once dubious economics has now become indefensible."

Losses from the Tongass are "bound to grow over time because of chronically weak markets for Southeast Alaska's timber products and the fact that future harvests will have to rely on less accessible and less value stands," the report said.

Pulp made from the trees is used to make rayon and cellophane, outdated products that have been superseded by similar materials made from petroleum products. One result has been that "the market value of pulp exported from southeast Alaska declined by 40 percent between 1980 and 1984."

Aside from the economic problems of harvesting the Tongass, there are ecological problems, the Wilderness Society said.

"The Tongass shelters some of the last significant stands of northern hemisphere virgin rain forests found anywhere on Earth. These stands are a rare, endangered, irreplaceable and priceless resource," the report said.

"Wildlife habitats and traditional subsistence lifestyles will be lost, salmon fisheries degraded and recreation and tourism values and related employment diminished if the current timber program remains in place," the society said.

The society is expected to call for cutting the timber harvest from 450 million board feet annually to 150 to 200 million board feet. In addition, the environmentalists want a moratorium on logging and roadbuilding in key fish and wildlife areas.

ANILCA calls for a review of the Tongass in 1985, which the Forest Service has completed. That report will be the subject of hearings in May.

Sitka Sentinel
Sitka, AK

APR 28 1986

Wilderness Society Attacks Timber Sale

WASHINGTON (AP) -- Congress ought to end the special status of the Tongass National Forest in Southeast Alaska, the Wilderness Society said today.

The administration should renegotiate the unique 50-year timber contracts with two companies to require short-term sales by competitive bidding that ultimately would be required to recover costs incurred by the Forest Service, the society said.

A report from the society also called on the Forest Service to accept state recommendations for a moratorium on roadbuilding and logging in 72 watersheds of the forest considered critical for bears, salmon, Sitka black-tailed deer and bald eagles, at least until the land use plan for the forest is revised.

The Tongass contains some of the last major virgin rain forest stands in the northern hemisphere, the society said. Its report was timed to precede the first of a series of every-other-year reports to Congress by the Forest Service on the Tongass.

The Forest Service report is due "shortly," the society said. Gary Morrison of the Forest Service did not immediately return a telephone call seeking comment.

A special section of the 1980 Alaska National Interest Lands Conservation Act provides at least $40 million a year to make available 4.5 billion board feet of timber per decade. That section also exempts the forest from other laws designed to identify unsuitable timber lands.

"Large-scale timber on the Tongass is indefensible by any economic measure," the report said.

Pulp markets in southeast Alaska have declined and sales from the Tongass brought in only $3.8 million in 1984 while costing $54 million, the Wilderness Society said.

The service plans to log or build roads into 75 percent of the 650,000 remaining acres of high-volume, old-growth land, the service said, leaving the remaining 25 percent in scattered patches, the society said.

Waste charged in timber program

By John N. Maclean
Chicago Tribune

WASHINGTON—The U.S. government loses more than $50 million a year building roads and subsidizing a dying logging industry in the nation's largest national forest, Alaska's Tongass National Forest, the Wilderness Society charged Monday.

"This is a no-win timber program: both the taxpayer and the environment are losers," said former Sen. Gaylord Nelson, the society's counselor and chief spokesman. "We are systematically destroying a rare rain forest while we urge other countries to save theirs."

The society, in a report issued after two years of study, said it costs taxpayers $36,000 a year for each job generated by logging in the Tongass, which has been subsidized for 30 years in an effort to help settle southeast Alaska. Neither of the two major timber companies which operate there, Louisiana Pacific Corp. and Japanese-owned Alaska Pulp Corp., make a profit.

The society called the Tongass the worst example of the "below cost" timber sales issue, which has caused increasing concern among environmentalists and sportsmen. The Forest Service sells much of the timber from the national forests at less than it costs to build roads to get the timber and to administer the sale.

The society's report sparked charges from Alaska's Sen. Ted Stevens [R.] that environmentalists were reneging on a 1979 agreement which led to the successful passage of the Alaska Lands Conservation act.

"They're declaring war on Alaska again," Stevens said. "They want to renege now on a suggestion they themselves made in 1979."

The society and other environmental groups which wanted many millions of acres of land declared wilderness, and thus out of bounds for logging, suggested a dedicated fund for the Tongass forest of $40 million a year to enhance timber production, and agreed to a level of lumbering of 4.5 billion board feet each decade.

"The Tongass timber fund was the suggestion of the environmental groups and particularly the Wilderness Society," Stevens said.

He acknowledged that the timber industry has had poor years recently in the Tongass, as it has elsewhere. But he said he feared the Wilderness Society was attempting to "build resistance" to increased cutting in the future, now that the Japanese yen has become stronger against the dollar and more timber will be going to Japan.

Stevens said if the society succeeds in having the $40 million fund rescinded for the Tongass, he will attempt to have Congress take the land reserved as wilderness back out of the system.

Nelson said the Alaska land law also provides for a five-year review, and allows for changing terms at the end of that time. He said that was the legal provision under which the society was recommending severely decreased lumbering in the Tongass.

A spokesman for the Forest Service also criticized the Wilderness Society report. The spokesman said the society's figures charge such long-term costs as research, timber stand improvements and building of permanent facilities against a single year of timber sales.

Tongass timber program costing taxpayers millions

By GAYLORD NELSON

While the president and the Congress struggle with huge budget deficits, the U.S. Forest Service is squandering millions of dollars selling large amounts of timber at a loss. At the same time, it is doing irreparable damage, destroying wildlife habitat, recreation values, salmon fisheries, and trout streams.

Almost half the national forests consistently lose money. However, the most flagrant example of senseless forest management is the timber program on the Tongass in southeast Alaska.

For most of this century, the Forest Service has attempted — without success — to establish a viable timber industry in southeast Alaska. Thirty-five years ago, the Forest Service persuaded two timber companies to build pulp mills in the region by making them an offer they couldn't refuse. The inducements were exclusive, 50-year contracts guaranteeing the companies the right to select the best timber at "favorable prices."

In practice, this has meant subsidized timber paid for by the taxpayer.

As part of the continuing effort to create a "forced" timber program in the region, an amendment to the 1980 Alaska Lands Act provided the Forest Service with an open-ended appropriation of "at least $40,000,000 annually" to enable the Forest Service to supply 4.5 billion board feet of timber per decade to "dependent industry."

The Forest Service has perversely interpreted this provision as a congressional directive to spend the money building logging roads and preparing timber sales even when there are no buyers. They have spent millions doing just that. For the past three years they have sold only 50 percent of the timber offered, but the taxpayer got the bill for much more.

During the eight-year period from 1977 to 1984, the Tongass timber program cost the taxpayer a grand total of $281 million, with deficits rising to more than $50 million a year in 1983 and 1984. Stated differently, the Tongass timber program lost 91 cents on every tax dollar spent in 1983 and 93 cents in 1984.

Future prospects are not encouraging.

The Forest Service itself concedes that "unless a major new market can be found ... a long term decline in Alaska's timber industry is anticipated." No such new market is visible on the horizon.

> ***“Here is an obvious opportunity for the Congress and the President to strike a blow for the economy, a balanced budget, the environment and common sense all at one time by ending subsidized timber sales on the Tongass and leaving the rain forest alone.”***

There is another part of this story, even more important than the endless millions in losses projected into the future. At stake is a rare, old-growth rain forest. It is a precious remnant of our natural heritage, representing hundreds of years of nature's works — one of the last major stands of majestic old-growth rain forest anywhere on the planet outside the tropics.

Giant Sitka spruce 800 years old and 10 feet in diameter soar into the sky 250 feet or more. Ancient hemlock reach 200 feet. These stands are living ecological history books of inestimable value. Using taxpayer dollars to subsidize the destruction of this irreplaceable gift of nature and shipping the residue overseas to produce rayon, cellophane bags, and table tops is irrational forestry by any standard.

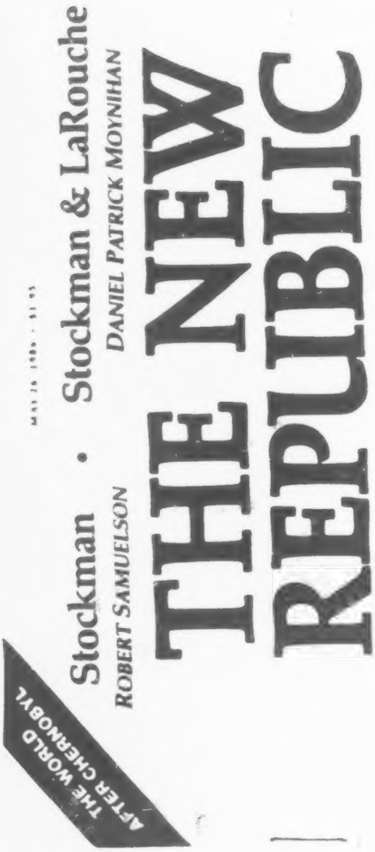
There is still a chance to save the rain forest.

The 1980 Alaska Lands Act contained a provision requiring the Forest Service to report to the Congress on the status of the Tongass five years after passage of the act. Hearings on that report begin before the House Interior Committee on May 8.

Those Congressional hearings will reveal that losses from Tongass timber sales are costing the taxpayer $200,000 every working day of the year. At the same time, we are systematically destroying a rare rain forest while we urge other countries to save theirs. This is a no-win timber program. Both the taxpayer and the environment are losers.

Here is an obvious opportunity for the Congress and the President to strike a blow for the economy, a balanced budget, the environment and common sense all at one time by ending subsidized timber sales on the Tongass and leaving the rain forest alone. Ten years and $500 million from now will be too late.

☐ A former U.S. senator, Gaylord Nelson is counselor of The Wilderness Society.



THE WORLD AFTER CHERNOBYL

Stockman • Stockman & LaRouche

ROBERT SAMUELSON

DANIEL PATRICK MOYNIHAN

THE NEW REPUBLIC

A national forest on the block.

CHOP CHOP

THE REAGAN administration has pledged to run the government like a business, and frequently expresses its belief in free-market principles. Yet 4,000 miles from Washington, deep in an ancient Alaskan rain forest, in an attempt to challenge the wisdom of the market, the government is running a business that loses 93 cents on every dollar it spends. The losses are more than $50 million a year. Meanwhile, this logging operation, under the supervision of the U.S. Forest Service, is destroying the only largely intact rain forest left in the world's temperate zones. The purpose of the exercise is to create a timber industry in southeast Alaska, and it's failing at that as well.

This particular boondoggle started innocently enough. Southeast Alaska is a 500-mile panhandle running along the Pacific Ocean. Eighty percent of it lies in the Tongass National Forest, at 16.8 million acres the largest of our 155 national forests. Ever since the early 1900s, the federal government has seen timbering as an ideal way to attract warm bodies to this cold, wet, and isolated piece of America that would be only a two-day drive (if there were roads) from the Soviet Union.

Early efforts were a bust. Finally, in the 1950s, the Forest Service convinced two large pulp companies to set up shop in Southeast. Among the inducements were 50-year contracts and bargain-basement timber prices, so that they could compete against mills in Washington state. The market for the forest's output was Japan, with small percentages going to other Pacific Rim countries. The pulp-grade timber, about 60 percent of the average Tongass clear-cutting, ultimately was turned into rayon and cellophane. The rest of the timber was turned into logs for use in housing construction and special items such as pianos.

Though demand was reasonably strong, the federal government lost money in this job-creating venture. The costs of doing any kind of business in Alaska are high, and the cost of timber cutting is higher still. An average mile of road built to reach the trees costs $150,000. To make the undertaking profitable for the companies, the government had to provide a large subsidy.

In 1980 this timber program was enshrined in an act of Congress. Republican senator Ted Stevens of Alaska was among those unhappy that the Alaska National Interest Lands Conservation Act (ANILCA) proposed to preserve 5.4 million acres of the Tongass as wilderness. When Jimmy Carter was defeated by Ronald Reagan, Stevens and his allies suddenly had a lot of leverage in the shaping of this long and complex bill. The bill's backers desperately wanted to get the bill signed before Carter was replaced by the man who thought that trees cause pollution. Stevens took full advantage of this leverage.

The result was section 705. It set a goal of selling 4.5 billion board feet from the Tongass per decade, roughly one percent of the nation's total output. To cover the Forest Service's costs of building roads, surveying, and overhead, the section provides a minimum $40 million *permanent* annual appropriation, "or as much as the Secretary of Agriculture finds is necessary," to meet the supply goal.

MEANWHILE, the market was going down the tubes. Modern technology had found that synthetic substitutes were cheaper than wood pulp for making sandwich wrappers and rayon shirts. Countries such as South Africa, where trees grow more quickly and are easier to harvest, were able to underbid Alaska for the remaining demand.

Timber jobs in Southeast began to dry up. Since passage of ANILCA in 1980, they have declined by 40 percent, to fewer than 1,500. In 1984 the demand for board feet was less than half of the 450 million feet mandated by section 705. Undeterred, the Forest Service squandered $11 million on roads and other preparatory steps for timber sales that no timber company bid on. For each job created by the Tongass timber program, U.S. taxpayers are kicking in $36,000 a year. The two prime beneficiaries of this largess are the Louisiana Pacific Corporation and the Alaska Pulp Corporation, which is Japanese-owned.

Even in southeast Alaska, the Forest Service's enthusiasm for timber cutting is not universally appreciated. Commercial fishermen have been in Washington this month telling Congress that the logging and road building have caused erosion that is damaging the area's world-famous salmon spawning beds. Log transfer facilities along the shore have forced out fishing fleets, while wayward logs floating in the network of straits too often punch holes in individual boats. Southeast's fishing industry provides twice as many jobs as the timber industry does—without any federal subsidy. The logging also threatens tourism, the region's fastest-growing industry, already creating more jobs than either logging or fishing.

Compounding the economic insanity is the splendor of the resource being destroyed. The Tongass features thousands of lakes, islands, and streams. There are alpine meadows and fiords against a backdrop of snowcapped mountains. Then there are the trees. Sitka spruce, seedlings when Charlemagne was establishing the Holy Roman Empire, soar 250 feet into the sky. Within this rare rain forest are the largest concentrations of bald eagles and grizzly bears anywhere in the world.

The Forest Service stubbornly persists in believing that the timber program is good for the local economy. That has been the agency's operating premise for three-quarters of a century, and such long-held views are hard to change. The Forest Service is a 38,000-employee bureaucracy. Since the advent of the post-World War II housing boom, the national forests have supplied about 20 percent of the nation's timber. The Forest Service has staffed up with surveyors, road engineers, and others who move up the ranks by putting lots of board feet on the scoreboard. Convincing them that it all makes no economic sense is all but impossible.

This is a problem not only in Alaska. Two years ago studies by the General Accounting Office, the Congressional Research Service, and the Wilderness Society revealed that timber programs in many of our national forests are costing the taxpayers more than what timber companies are paying for the wood. This year's presidential budget report figured the fiscal 1986 loss at $600 million. The Forest Service conceded that 37 percent of its timber is being sold at prices below cost, but insisted that there were benefits, such as improving the habitat for deer.

But the Tongass is the only forest with a money-losing timber program written into the law. The Tongass is also a special case because of its biological uniqueness. Fortunately, section 706 of ANILCA calls for a review of the program after five years. The House Interior and Insular Affairs Committee has just completed two days of oversight hearings. This summer's review of the Tongass timber boondoggle gives us a chance to save money, save nature, and save face.

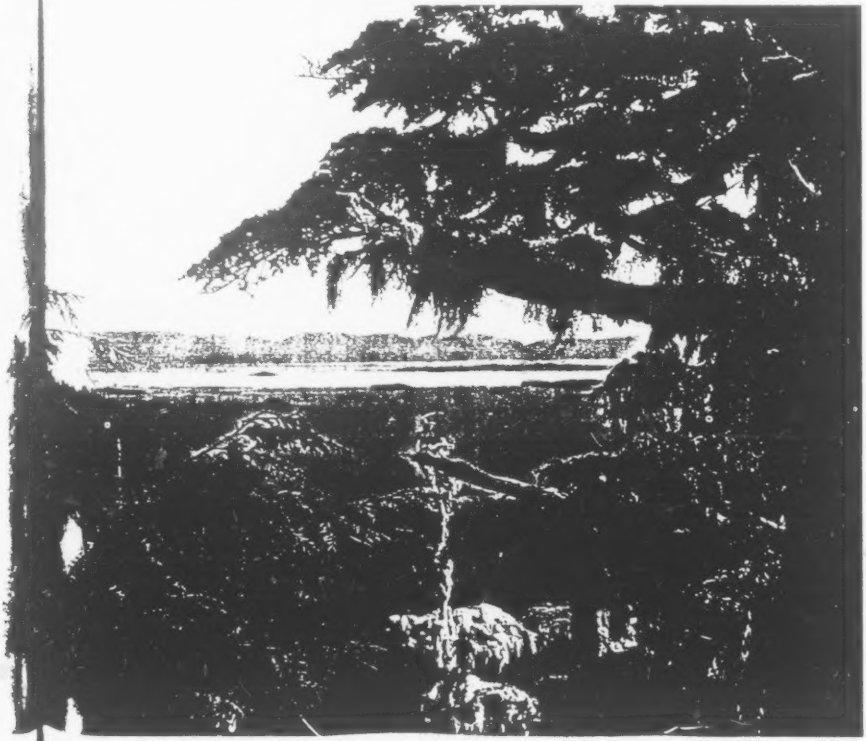
BENNETT H. BEACH

Bennett H. Beach is assistant director of public affairs at the Wilderness Society.

The fight for the Tongass National Forest in Alaska should make more news this fall. JONATHAN Z. LARSEN went to the wilderness to find out exactly what is at stake.

At the turn of the century twenty-five of America's leading scientists set out on a two-month expedition to Alaska as the guests of railroad tycoon Edward Harriman. They began in the breathtaking Inside Passage of Alaska's southeast archipelago, sailing through deep icy fiords that twisted between densely forested, snowcapped islands, and they soon endorsed the enthusiastic judgment of one of their party, Henry Gannett, the chief geographer of the United States. The Alaskan coast, he declared, would become "the show-place of the earth." The value of the scenery measured in tourist dollars would be enormous. "Measured in health and pleasure, it will be incalculable." In the intervening decades that simple vision has been betrayed many times over, and the principal agent of betrayal has been the United States government.

One of the great natural assets that so mesmerized Gannett was a vast wilderness region now known as the Ton-



PHOTOGRAPH BY JONATHAN Z. LARSEN

Going, going..

America's majestic rain forest, at two bucks a tree

Beautiful battleground. The view down Deer Mountain, outside Ketchikan. Old-man's beard hangs from the branc

Condé Nast's
Traveler
November 1987

Last frontier

About the time the master builders cut the first stone for the great Gothic cathedral at Chartres, in the middle of the thirteenth century, a Sitka spruce seedling sprang from moist soil in southeast Alaska. The seedling grew from decade to decade, century to century. Today a giant tree soars 250 feet into the Alaskan sky. It is only one of the wonders of the great natural cathedral of the rainforest of Tongass, and it is only part of an American heritage that is scheduled for destruction.

The forest, the wildlife it shelters, the salmon that spawn in its streams, and a way of life in Alaska—all are in jeopardy from a classic boondoggle that requires the Forest Service to cut down 450 million board feet a year. So it drives roads into the Tongass, corrupting watersheds, and sells the great trees for a couple of dollars each to two pulp corporations. The cost in taxpayer dollars for destroying the only largely intact rainforest in the world's temperate zones is $50 million a year. That is the least of the scandal.

Jonathan Z. Larsen has been to Alaska for *Conde Nast's Traveler* to report on how all this came about and what is at stake. We asked him to look into the Tongass affair as well as provide travel advice, because we believe travelers want to know what is happening to the American landscape, and maybe to have a say as citizens. Larsen was entranced, as are hundreds of thousands of visitors every year, by the splendor of Alaska's southeast archipelago, its snowcapped mountains tumbling to cliffed fjords and alpine meadows enlaced by thousands of salmon streams. The parts of the forest sawed and napalmed into clear-cuts are unsightly, but it is not just a question of protecting "scenery." Nor is it a question of sterilizing Alaska in a glass case for travelers to admire. In the Tongass there is a harmony between interests that sometimes conflict: the needs of the communities in employment and the desire of the traveler for places to remain unspoiled.

The Wilderness Society, the National Audubon Society, the Wildlife Society, and the American Forestry Association are all critical of what is happening, but the battle of the Tongass is not between "outside" environmentalists and the local people. The loggers naturally want the subsidy to continue; it is other local communities who are the most fiercely hostile to the Forest Service juggernaut. Although part of the region is protected wilderness, under their plan three quarters of the high-volume old growth of the Tongass will be logged or disturbed by logging roads, to the detriment of fishing, hunting, and recreation. Congressional hearings have been vivid with testimony from men who have built their own log homes and fear that their livelihoods are menaced. Far more Alaskans of the archipelago depend on renewable resources than on mining of unrenewable old-growth timber.

It is for these reasons that the Tongass Timber Reform bill (H.R. 1516 and S. 708) before Congress deserves support. It would introduce a measure of fiscal and environmental responsibility by scrapping the commitment to harvest 450 million board feet come what may, and it would bring the subsidy under annual scrutiny. But that does not go anywhere near enough. The best thing for Alaska is for Congress to stop the logging and road building in areas identified as key fish and wildlife habitat; to buy out the contracts with the pulp mills; and to put the employment seed money into fishing and recreation.

Beneath the high, benign canopy of the Tongass there thrive almost ten thousand bald eagles of breeding age, the highest density in the world. The sad commentary is that the symbol of the United States is to be driven from its habitat so that majestic trees can be pulped and shipped to Japan. In place of the eagle we get cellophane bags. Some deal.

Harold Evans

HAROLD EVANS
EDITOR IN CHIEF

gass National Forest. The Tongass comprises over 80 percent of Alaska's southeast archipelago and mainland panhandle, and it is widely held to be the finest remaining example of a temperate rainforest in the world. For the past fifty years, however, the federal government has actively encouraged its wholesale logging. In the hands of the United States Forest Service, two visions of the Tongass—as an area to be used for recreation and as an area to be exploited for its resources—have literally been ships passing in the night. Heading north, luxury liners ply their way from Seattle and Vancouver, carrying passengers in whose tote bags are travel brochures and guidebooks that speak of "the spirits of the bear, eagle, and salmon" and repeat the phrases "virgin forest" and "unspoiled wilderness" like New Age mantras. In the opposite direction, freighters head for foreign ports, carrying away bits and pieces of that same virgin forest and, with them, some of the spirit of the bear, eagle, and salmon.

The question of the proper uses of this forest, of what can legitimately and responsibly be taken from it, should be the subject of congressional debate this fall. The discussion is hardly premature. If all the holes that have already been cut in the Tongass were pieced together, they would cover an area bigger than the entirety of many of the nation's smaller reserves. If the cutting continues as planned, within the next one hundred years chain saws will have laid waste to timber stands vast enough to cover the state of Rhode Island, nearly three times over.

To wander within the forests of southeast Alaska is to enter a magical realm of feathery spaciousness, dripping moss and primal tumult. For the evergreen stands of the Tongass bear almost no resemblance to the evergreen forests of New England. Thoreau once wrote of the Maine woods, with their silent, dense stands and barren, pine-needle floors, "The trees are a standing night, and every fir and spruce which you fell is a plume plucked from night's raven wing." The temperate rainforest of the Tongass, by contrast, is an airy cathedral filled with slanting sunlight and feral spirits, an ecological masterpiece that, once destroyed, takes a half millenium to replace. The trees, many of which are four hundred years old and far too thick to put your arms around, are widely spaced, their branches liberally draped with a lichen called old-man's beard. The air at times seems heavy with the hooting of owls, the shrieking of ravens, and the flapping of giant wings.

The Tongass is called an "old growth" forest. As with fine wine, it is its age that gives it value; the "noble rot" is the key to its fecundity. The dominant species, western hemlock, is prone to disease, especially when its bark is damaged by another tree's fall. Diseased hemlocks are constantly being blown over in strong winds, often jackknifed so that their top halves tumble while the lower trunks remain upright. The standing trunks become perfect perches for owls and, as the wood becomes infested with insects, rich sources of food for woodpeckers and other birds. The logs on the ground, frequently hollowed out before they fall, become dens for black bears. Because the trees have shallow but widely dispersed root systems, the roots tend to mix the soil with the organic debris on top as the trees go down. This pattern, repeated over and over, is referred to by foresters as "high-frequency, low-intensity disturbance," and it creates an ideal mix of compost on the forest floor. The continual rotting and falling of hemlocks also opens the canopy just enough to allow light to enter at an angle, but not so much as to permit an untoward quantity of snow to pass through. The light hitting the rich loam stimulates an understory growth, or browse, that provides a cornucopia of nutrients for wildlife, particularly in winter, when snow covers food sources beyond the umbrella of the forest. Evergreen herbs like dwarf dogwood and creeping blackberry keep deer fed throughout the winter, as do the clumps of old-man's beard that drop to the forest floor.

Back in 1907, when Congress created the Tongass National Forest, little of this natural process was understood, and what was known was not fully appreciated. Rather than an ecological marvel, what professional foresters saw were relatively poor quality stands, branchy and knotty, situated on roadless islands with tortuous topographies. To the pioneers of American forestry, the question concerning the Tongass was simply this: How could this hoary, disease-ridden old-growth forest be turned into a healthy, productive tree farm? The strategy that evolved over the next decades was to clear-cut the virgin stand—that is, to chop down every tree for hundreds and sometimes thousands of acres. The idea was to release seedlings sprouting in the understory, at the same time raising the temperature of the soil dramatically by exposing it to the full force of the sun. After a hundred years, there would be a new crop of trees, closer together, disease-free, and all approximately of the same age and size. In the interim, the old trees could be harvested and sold to pulp and saw mills. It was an intoxicating, if inconceivably myopic, bureaucratic vision. Since the mills are relatively labor-intensive, the depressed economy of southeast Alaska would get jobs, private enterprise would prosper, and the coffers of the Treasury would groan. Congress ratified the concept in 1947 when it passed the Tongass Timber Act to encourage private companies to log the forest.

John Muir and John Burroughs were both members of the Harriman expedition. Muir called the Tongass the "very paradise of the poets."

THE BETTMANN

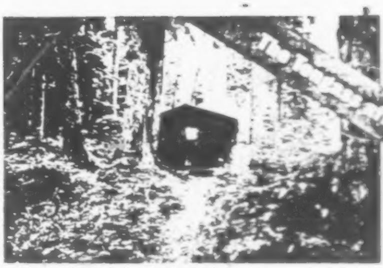
The fifty-year contracts offered by the government were taken up by only two companies, one of them—the Alaska Pulp Corporation—100 percent Japanese-owned. Both companies elected to build not paper-pulp mills but mills to manufacture dissolving pulp, used to make such products as rayon—the market for which was soon undercut by nylon. It was bad news for the companies, but it was a disaster for the government, especially when added to other disadvantages, including labor costs and distance from markets. The contracts virtually guaranteed profits, an as the mills lost money, the government was forced to reduce its fee for cutting the trees. Today it charges only slightly more than two dollars a tree. Put another way, it charges less for a logger to cut down one of its trees than it charges a wilderness guide to bring one tourist into the forest to look at them.

Congress had a second chance in 1980. After years of procrastination, it was time to decide, once and for all, which Forest Service lands to protect as wilderness reserves. The bill was pushed through in the waning days of the Carter administration as Reagan prepared to take office. As part of a 15.7-million-acre wilderness package, it set aside 5.6 million acres of the Tongass. But in the same stroke Congress decreed that logging should continue in the remainder of the forest. What's more, it also decreed exactly how much should be cut—regardless of market conditions—and wrote out a blank check to make sure that it was.

Historians will note that this particular piece of profligacy came about behind closed doors. While deliberating the fate of the Tongass, Alaska senator Ted Stevens, carrying heavy water for the timber industry, threatened to delay the wilderness bill with no fewer than 232 amendments. Senate Majority Leader Robert Byrd ordered Stevens and a handful of other senators into a closed session. When the cigar smoke cleared, some people proclaimed the outcome a happy compromise, others a Faustian pact. In return for his vote on the wilderness reserve, Stevens walked out of the caucus with the Tongass Timber Supply Fund, a guaranteed annual subsidy to the timber industry of "at least" $40 million every year—the "at least" being written into the bill. The $40 million was exempt from the annual appropriations process, when the timber programs for all other national forests are reviewed.

By the end of 1986 the damage report looked like this: a third of a million acres logged; an unknown number of salmon streams silted; untold bears, eagles, and deer driven from their natural habitats; a loss to the taxpayers of the United States of $250 million, just counting the years 1982 through 1986; an altogether unknown loss to the pulp-mill operators, both of which claimed to have lost $100 million in the past five years.

Juneau, the capital of Alaska and the largest city in the southeast, is a former gold-rush town wedged between an ice-free channel and a snowcapped mountain range. The Tongass surrounds it on all sides, and its northern end is marked by an enormous glacier that presses down from the mountains into a bay, periodically "calving" indigo-blue icebergs into the water. Virtually everyone who lives in Juneau cares about the fate of the Tongass. But two men among the 29,000 residents are



Bear essentials: The author's Tongass cabin. Instead of continuing the logging, why not build more such facilities?

immersed in the controversy around the clock. They represent irreconcilably divergent points of view.

Jim Clark, forty-three, is the point man for the timber industry. He is not only the counsel for one of the two long-term contractors but also for a local sawmill and the Alaska Loggers' Association. A major architect of the 1980 blank check, he is now fighting moves to end the subsidy and to subject it to annual scrutiny in Congress.

Outside Bart Koehler's door is a framed cartoon showing Stumpey the bear welcoming visitors to "National Stumpland." "Watch out for logging trucks," Stumpey warns. "Don't play with dead animals."

Clark works out of a clean-desk office, with fashionable vertical shades shielding the light glinting off Gastineau Channel. There are only a handful of modern buildings in Juneau, and none are quite as sleek as the one that Clark's firm built for itself. An eight-story aluminum-sheathed tower, it has rounded corners and a hermetically sealed environment. The locals call it the Spam Can. (The Federal Building, which houses the Forest Service, is an even taller modern structure. The environmentalists call it the Death Star.)

Clark rationalizes the Tongass timber program as a "jobs program," which is having a "Keynesian effect" on the local economy and, all things considered, providing "a very, very positive return to the Treasury." To prove the point, he keeps handy a recent report from the Government Accounting Office. The report rearranges all the Tongass numbers in totally different configurations, sort of like an economic kaleidoscope. Turn them one way and the year 1986 was a $12 million loss. Turn them the other way and it was a $2.5 million *gain*. The argument Clark makes is that the roads, written off against current operating expenses, are really an investment in the future of the timber program, not to mention the future of the state and country. Clark calculates that there are two thousand jobs directly related to the cutting in the Tongass, and another two thousand indirectly related ("I'm part of that indirect," he says). He is convinced that the glacier will cover Juneau once more before timber jobs are replaced by other industry.

Clark is not overly concerned about the wildlife issue

Traveler's file Cabin life

If you're in a hurry, the best way to get to the Tongass National Forest is by airplane, via Seattle or Anchorage, to Ketchikan or Juneau. If you have more time, take one of the ferryboats that leave Seattle every Tuesday and Friday in the summer and steam up the Inside Passage. Most people on board are backpackers who pitch tents and sleep right out on the decks, but cabins with bathrooms are available. For information on ferry schedules, call Alaska Marine Highway (tel. 800-642-0066).

First stop is Ketchikan, a good jumping-off place to explore [illegible] Misty Fjords National Monument. Stay at the Ingersoll Hotel (tel. 907-225-2124) [illegible] The [illegible] window. There is a fine one-day hike up Deer Mountain behind the town.

In Juneau, stay at the Alaskan Hotel and Bar (tel. 907-586-1000) if you like it cheap and [illegible], at the [illegible] Manor House (tel. 907-586-[illegible]) if you like it fancy. Make sure you still have your [illegible]. Two Juneau outings: A beautiful hike up Mount Roberts takes you past the tree line into the snowcap. An excellent dinner cruise to Tracy Arm Fjord starts around 3 P.M. and brings you back in plenty of time for a nightcap in the bar of the Alaskan (less of a tourist trap than the Red Dog Saloon a few doors down). You'll get a great view of glaciers and be able to spot bald eagles and seals.

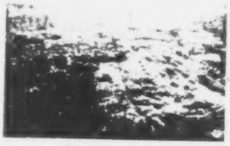
For a true adventure, consider a guided tour of a wilderness cabin. Alaska Discovery (tel. 907-586-1911) takes small groups on canoeing and kayaking trips. This is smooth-water kayaking, not white-water stuff. The Tongass cabins have bunks and wood stoves (some have oil stoves) and come equipped with axes so that you can chop as much wood as you need. Go with someone who knows how to fish. As soon as you get there, read the guest register. It is often full of information on great fishing spots, what lures work best, and where you can find a trail.

The cabins are a bargain at $15 a night. The expensive part is getting there by chartered plane (about $300 an hour for seven people without gear), from such service companies as Temsco Airlines (tel. 907-225-9810). If you travel with others and stay a few nights, it still works out to a bargain. The Forest Service can give you descriptions of the cabins and the sites over the phone. The Tongass covers 16.8 million acres, and the service breaks it down into three separate regions. Telephone numbers: in Ketchikan, 907-225-2148; in the Chatham area (Sitka), 907-747-6671; in the Stikine area (Petersburg), 907-772-3841. Temperatures in June, July, and August are in the sixties daytime, middle forties nighttime. Don't wait until September to go, because the rainy season starts then.

—J.Z.L.

"There may be long-term effects that we don't know about," he concedes. "On the other hand, some of the effects that have been stated maybe technology will resolve." It's an odd thought, another twist of the kaleidoscope. More normally, people tend to view technology as the enemy rather than the savior of wildlife.

Bart Koehler, thirty-nine, is Clark's opposite number. He is the executive director of the Southeast Alaska Conservation Counsel (SEACC), a grass-roots coalition opposed to the logging program. A burly man with long, bushy sideburns and a mustache, Koehler has variously been a songwriter, a river guide, and a ranch hand. He dresses in jeans, T-shirts, and sweatshirts, preferably with worthy causes surprinted across the chest, and he works out of an old, mustard-colored building in an area of Juneau that functions as a sort of nonprofit ghetto (down the hall is the Sierra Club Legal Defense Fund, across the street a youth hostel, next door a nursing home). His office is an objective correlative of an old-growth forest, which one member of the Harriman expedition described as "choked with the accumulation of the ages." Koehler's desktop, his desk chair, and every other horizontal surface are covered with stacks of paper several inches thick, each with a yellow Post-it on top telling him what lies below. Just outside the office door is a framed cartoon showing Stumpey the bear, rather than Smokey the bear, welcoming visitors to "National Stumpland." "Watch out for logging trucks," Stumpey warns. "Don't play with dead animals."



An aerial view of the cutting on Prince of Wales Island. Much of the Tongass timber eventually ends up in Japan.

Koehler believes the bill currently before Congress, sponsored in the House by New York Democrat Robert Mrazek and in the Senate by Wisconsin Democrat William Proxmire, would be an improvement, but hardly a cure-all. "I asked a Forest Service guy what it would do," he says, "and he says, 'Well, we'll build a few less roads and we'll build a few less ranger facilities. But basically we'll just go on cutting trees.'" Koehler thinks the fifty-year contracts should be revoked outright (as grounds he cites an antitrust case in which both pulp mills were found to be conspiring to restrain trade), or modified, or bought out by the government.

His constituents, Koehler says, are worried about the salmon industry. Logging and road construction have both hurt the industry, because they cause sedimentation in salmon streams that fills in the cracks between the pieces of gravel in the spawning beds. Koehler proposes that the federal money that now goes into building roads and thinning trees could be used instead to buy back from the contractors "certain key drainages that are the highest quality fish and wildlife areas." Since these areas invariably have the best timber, Koehler feels certain they are precisely the ones scheduled for cutting in the next few years. The pulp mills, he predicts, "are going to just high-grade all the best trees and get the hell out of Dodge."

On the way out of the SEACC offices, a visitor discovers that the war for the forest has spilled over even into the lavatory. One choice bit of graffiti says: "Don't shoot until you see the whites of their lies . . . ." Another says: "U.S.F.S.—'We're gonna be playin' hardball in 1986.' SEACC—'Play ball, we've been waiting for the World Series of the Tongass.' "

The United States Forest Service has never abandoned its original mission of harvesting trees; on the contrary, during the Reagan years it has dedicated itself to cutting more than ever. Still, the service has changed somewhat since its early trees-are-crops days. It now calls itself a multiple-use agency, which means it answers to three angry gods at once: the industry that wants its trees, the wildlife that lives within its domain, and the adventurers who want to camp and pack through its wildernesses.

Recently the remains of twenty to thirty bald eagles were found in a logging-camp dump. They had apparently been shot as they fed off the garbage. The massacre was not the first such incident.

On the face of it, this is a next to impossible situation, because extensive cutting is antithetical to both recreation and wildlife. In trying to balance the competing claims on the forest, the service is constantly faced with Solomon-like decisions. To resolve them, it leans heavily on a computer program called Forest Planning Model, or FORPLAN. Different objectives are given different values: So many fish are worth A, so many board feet of timber are worth B, and so many "recreational visitor days" are worth C. These values are then fed into the computer, which whirs out conflict resolution the way Kellogg's whirs out cornflakes, making it a kind of mechanized version of the Roman emperor's thumb at the Colosseum.

For those anxious to witness the multiple-use value system at work, the Forest Service will occasionally give guided tours. One of its most accomplished guides is Peter Johnston, a forty-five-year-old, sandy-haired veteran of the agency, who is in charge of the northern half of Prince of Wales Island. Prince of Wales might well be called POW, for it is the main hostage in the struggle over the Tongass. At over two million acres, it is the third-largest island in the United States, and it is by far the hardest hit by the Tongass timber program.

Johnston's tour begins at Thorne Bay, a former logging camp that has been incorporated into a second-class city of 475, including approximately one hundred Forest Service personnel and their dependents. The timber industry has complained bitterly that too much of the Tongass timber fund has been going into Forest Service facilities, as opposed to logging roads. At Thorne Bay one can see $8 million worth of such buildings—spanking new, nicely designed apartments and offices for the agency's ever-growing presence on the island.

The first stop out of town is a garbage dump. Not your normal garbage dump, with Pampers and Tropicana orange-juice containers, but a logger's version of a dump, full of bark and the butt ends of tree trunks, with the usual debris scattered on top and the whole mess smoldering away. A dump similar to this one, at Labouchere Bay on the very north end of the island, recently entered the Tongass controversy when the remains of twenty to thirty bald eagles were found there. The eagles had apparently been shot as they fed off the garbage. The massacre was not the first such incident at the camp. In 1983 thirteen bald eagles were found dead, and in 1985 the manager of the logging camp was fined $1,000 for killing another.

The more mundane problem with the Thorne Bay dumps, and with all the others scattered about the forest, is how to keep them from contaminating their surroundings. "We're using our own specialist to evaluate the effects of these dumps on the estuaries," says Johnston. "Garbage gets to be a problem."

On the road leading away from Thorne Bay, Johnston explains that in the million-acre section of the island he oversees the Forest Service and timber purchasers have built 750 miles of system roads, the main trunk lines managed and maintained mostly by the Forest Service. "But totally," he says, "there's probably fifteen hundred to two thousand miles of roads that have been built."

These main roads are called forest development roads, and they are commonly referred to by yet another ironic abbreviation, perfect for a jobs program: FDR. Johnston's tour sets out on FDR 30. It is immediately apparent that these roads are indeed *very* labor-intensive. Prince of Wales Island, like almost every other part of the Tongass, is solid rock beneath the soil. To build a road, this rock must be dynamited, and forty-foot-deep open peat bogs, called muskegs, must be dug out and filled with rock. Johnston explains that a Tongass road costs $200,000 a mile, as compared with $35,000 for one in Black Hills, South Dakota, where he used to work for the Forest Service.

A few miles northwest of Thorne Bay, one can view a section of "second growth" forest that is sixty-five years old. Cut before the timber program started, as timber for local mining operations, this ten-acre piece of forest is now a laboratory of sorts, where the Forest Service is trying to approximate an old-growth stand by thinning.

Timber-industry spokesmen like to brag that clear-cuts "grow back thicker than the hair on a dog's back." It turns out that this is precisely the problem. In the first decade or two, there is plenty of browse in the cut-over areas, but it is not very nutritious. During the winter, these open fields, filled with snow, force deer to burn up calories just going from cover to cover. After twenty- *(Continued on page 125)*

Tongass

(Continued from page 69) five years the new growth is so thick that it will block out virtually all sunlight for the next 125 years. The result: no understory, no forage for wildlife. As the plan for the Tongass calls for logging the same areas on a 100- to 125-year rotation, the character of the forest will be changed forever.

In this second-growth stand, loggers have removed enough trees to make more of an old-growth spacing, with thirty feet between the trees. Light is now penetrating, but the long-range effect is unclear. "We don't know if it will work or not," says Johnston. Perhaps an even more interesting question is: what will the Forest Service do if it does work? These ten acres cost $20,000 to thin. Presumably the job is far cheaper at an earlier stage of development, but it is another cost in a program riddled with red ink. Will the agency opt to thin costs, or thin trees?

Down the road a piece is a turnout overlooking a lake. Johnston explains that a recreational facility called Eagle's Nest Campground will be built here, with remote campsites accessible only by canoe as well as more traditional units along the road. He pauses by a salmonberry bush to demonstrate still other uses of this multiuse forest. An entrepreneur currently has a permit from the Forest Service allowing him to collect the salmonberries, as well as red huckleberries and blue huckleberries. Another man wants to collect cedar for carving, and a third wants to collect, dry, and bale moss.

"Now we're heading toward the northern part of the island," Johnston says, as a very large logging truck bears down in his rearview mirror. "We're getting into the timber harvest area. I'm noticing that the trees are getting bigger."

Many of them are. But others are getting much, much shorter. Barely a foot tall. Here at last is the Stumpland of the cartoon outside Koehler's door. Johnston stops the truck at the foot of a hundred-acre hillside, black with the charred remains of a forest stand and, here and there, still smoking. Just two days before, this area had been subject to a "prescribed fire," in which jellied petroleum had been dripped from a fifty-gallon drum lashed to the bottom of a helicopter. "Basically, it amounts to napalm," Johnston says.

He drives on to another clear-cut, one that has not been burned off. In the distance is an enormous ridgeline that was shaved twenty-five years before, except for a small topknot of trees. Johnston explains that that particular cut was almost eight thousand acres, and that the tuft at the top is now named after the forester who permitted it. He hastens to add that the average size of cuts allowed by the Forest Service today is one hundred acres.

The final stop is at a bridge. The network of roads on Prince of Wales crosses three hundred salmon streams, and the bridges are now being upgraded at the rate of twenty a year. "The runoff from clear-cuts is not a big concern," Johnston says. "The road system is the bigger worry."

Before the logging began in the Tongass, the forest boasted perhaps the most limpid salmon streams in the

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United States, and the risk to the salmon industry is the issue that more than any other has galvanized community opposition to continued logging. Hence the Forest Service is forced to jump through environmental hoops every time it comes near a salmon stream. For each crossing, the service must negotiate the type of bridge to be built with the Alaska Department of Fish and Game. "What we do is, we assess the value of that particular resource, that particular fishery stream, and then we look at the economics, what we can afford to put in," says Johnston. "And then we make a decision based on the value of the resource involved. . . . We're a multiple-use agency, they're a single-use agency, so there's bound to be disagreements."

One can almost imagine the fish being fed into the computer.

The lady in charge of wilderness-cabin reservations for the Forest Service in Ketchikan had said, "Let's see. Ella Lake. That's on Revillagigedo Island, so that means no brown bears, just black bears." It was the first time it had occurred to me that I would not be totally alone.

I had decided to travel by myself into the "virgin forest" to find out what exactly it was about the Tongass that was worth saving. I wanted to experience that other, higher use of the Tongass: as an opiate for the eye and a tonic for the soul.

I picked a cabin on a lake in Misty Fiords National Monument. It was one of 150 or so cabins the Forest Service maintains throughout the Tongass, many of which come with rowboats, wood stoves, and, mercifully, a supply of dry, split firewood left by the previous guest. The easiest way into, or out of, the cabin and its environs was by chartered airplane. There was only a slim possibility of encountering another human being, and while I had been most anxious to encounter "the spirit of the bear," I had been trying quite hard *not* to think about meeting the bear in the flesh. The reservation clerk's comment unnerved me, as did a pamphlet on Misty Fiords I picked up on my way out of the Forest Service building. It suggested bringing "a rifle of at least .30-'06 caliber for protection." That night I read a book on bear attacks that contained a particularly gory account of a mother black bear that ate the arms off a female scientist who just happened to walk between her and her cub.

So it was with no little anxiety that, at the beginning of the second day, I found a very fresh bear print in the mud, headed in precisely the same direction I was. I had left my lakeshore cabin in search of a trailhead several miles away, at the end of a second lake that connected to mine by a narrow stream. I had been told that the only way to reach the trailhead was by boat, but there had been little rain for weeks, the lake was very low, and after a few miles of rowing I began to run aground repeatedly in the muck. So I ditched the boat and set out along the shoreline, toting my fishing pole, my camera bag, and a bag full of fishing tackle and extra clothing. It was after I had crossed the river running between the lakes and was mounting the river bank on the far side that I saw the print. At first I saw only large prints, but soon enough I discovered the prints of both a mother and cub. Farther on, in the grass, where I could no longer make out the prints, I walked upon fresh bear droppings.

My path took me through a large open muskeg, where I could see well ahead of me and, more important, be seen. But the forest quickly closed in again on the lake, and giant vertical ledges overhanging the water forced me back into the forest. All I knew about black bears was that they eat berries, and there was a riot of berries along the trail I was trying to blaze through the thick underbrush. I kept thinking how easy it would be to stumble between a mother and a cub in these woods, have an accident, and never be found. I was on no path of any description, some distance from my beached rowboat, and completely hidden from the view of a passing search plane. Certainly I would never have heard a bear coming. I could not tell which was making more noise—my breathing, from exertion, or my heart, from anxiety. Thoreau once wrote, "Generally speaking, a howling wilderness does not howl: It is the imagination of the traveller that does the howling." By this point I was imagining bears in every hollowed-out trunk and behind every fallen tree. I rattled my can of split shot, checked with my hand for the six-inch fillet knife on my

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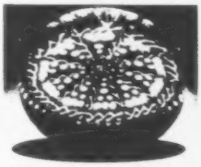

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belt, and kept going.

I never did find the trailhead, nor did I encounter any bears. If the truth must out, I never even caught a fish. But the spirit of the bear stayed with me. As did the spirit of the loon. Later that day, at twilight, I was standing on the shore of the lake, looking out, when the stillness was broken by the most eerie sound I had ever heard, a falsetto ululation that resembled something more human than animal, so sorrowful was its lament. I could make out a ducklike shape far out in the water, yet I knew of no duck that did anything but quack. The following day, up close in my rowboat, I recognized the distinctive checkered markings of the common loon.

The *common* loon. The name itself is now an irony. Loons used to be found in wooded lakes all across New England. Today, in Vermont, they keep a census of nesting loons. At last count, there were exactly twelve nesting pairs, most of them in the state's sparsely populated Northeast Kingdom. Like so many wild creatures, the loon retreats in the face of civilization, and chain saws. Although he was speaking of caribou, Thoreau's Indian guide put the matter as well as anyone: "No likum stump—when he sees that he scared."

The solitude afforded plenty of time to think about the connection between the wilderness I was enjoying and the logging I had seen two days before. And it struck me that what is at stake in the Tongass is not only a matter of trees versus jobs, but also a sizable chunk of America's last frontier. It has long been argued that the American character, individualistic, self-reliant, self-governing, was formed in grappling with the wilderness. As early as the turn of the century, the man who first propounded this frontier hypothesis, Frederick Jackson Turner, wondered what would happen to the American psyche when there was no frontier left. Perhaps the answer is all around us.

The Tongass should be kept as much as possible intact, not just to protect the wildlife within it, but also to maintain some lingering possibility of this frontier experience. There must be places, here and there, where human beings can still be scared of animals, rather than the other way around. Places for the backpackers, bird-watchers, and fishing enthusiasts who still want their wilderness "straight," without paved roads and electrical hookups and running water.

Certainly there seems no pressing argument to cut the wilderness down. The same money now being spent to support the timber industry of southeast Alaska could be spent, for a time, to support an equal number of different jobs. The Forest Service, for instance, could hire hundreds of people to construct more wilderness cabins, more recreational facilities, more trails, more fish ladders for salmon. Weighed in the scale, saving two thousand logging and pulp-mill jobs cannot possibly be a greater good than a wilderness preserved, a wildlife habitat protected, and hundreds of salmon streams running clear forever. Would it not be nice to say, standing on the edge of the Tongass Forest, just as Thoreau did at the edge of the Maine woods more than a hundred years ago, "There still waves the virgin forest of the New World"? □

For Traveler's File, turn the page.

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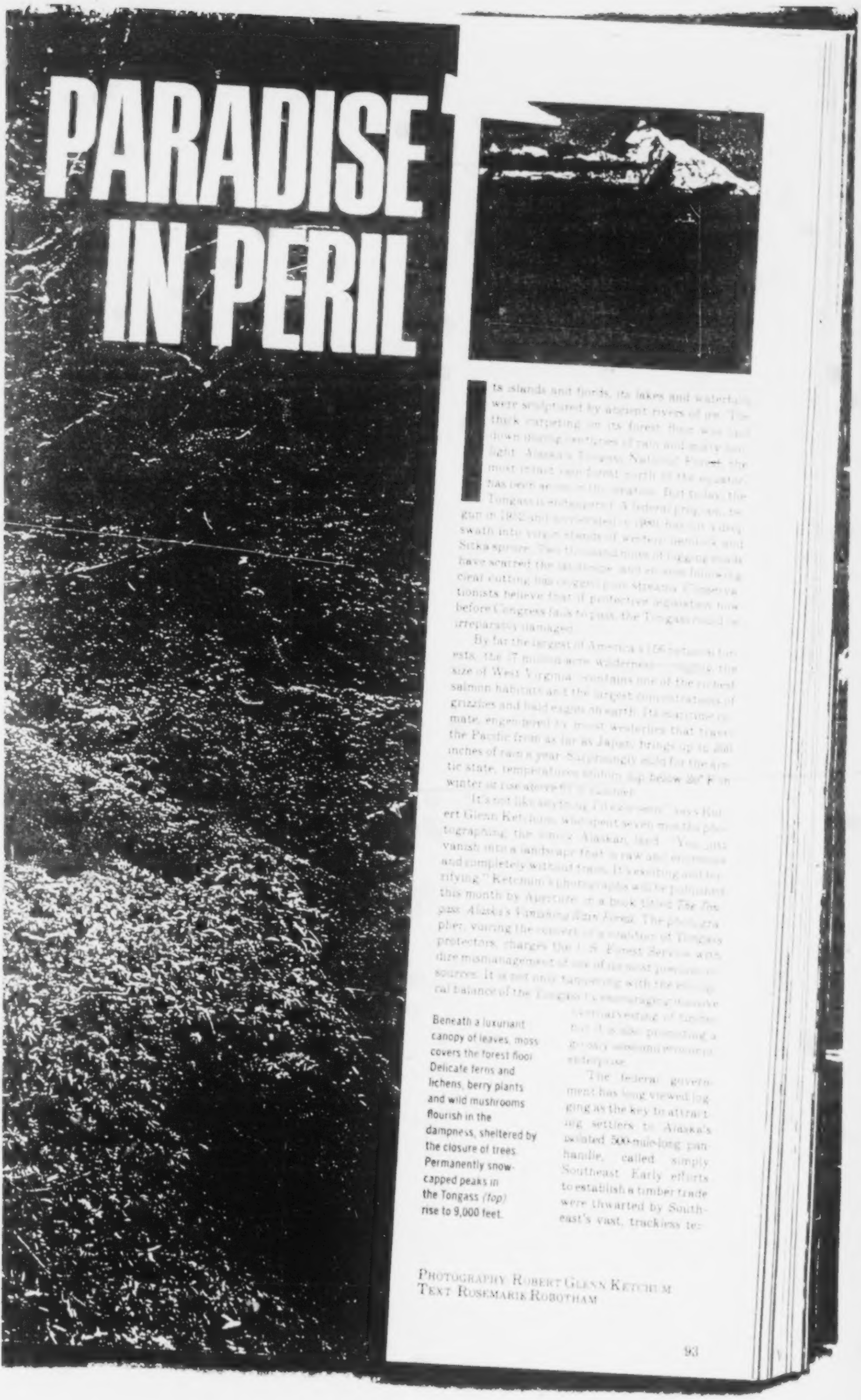


PARADISE IN PERIL

Its islands and fiords, its lakes and waterfalls were sculptured by ancient rivers of ice. The thick carpeting on its forest floor was laid down during centuries of rain and misty sunlight. Alaska's Tongass National Forest, the most intact rain forest north of the equator, has been [illegible] the [illegible]. But today, the Tongass is endangered. A federal program, begun in 1952 and accelerated in 1980, has cut a deep swath into virgin stands of western hemlock and Sitka spruce. Two thousand miles of logging roads have scarred the landscape, and erosion following clear cutting has clogged pure streams. Conservationists believe that if protective legislation now before Congress fails to pass, the Tongass could be irreparably damaged.

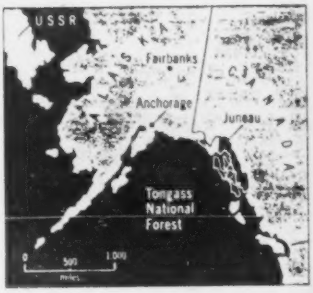
By far the largest of America's 156 national forests, the 17 million-acre wilderness—roughly the size of West Virginia—contains one of the richest salmon habitats and the largest concentrations of grizzlies and bald eagles on earth. Its maritime climate, engendered by moist westerlies that travel the Pacific from as far as Japan, brings up to 200 inches of rain a year. Surprisingly mild for the arctic state, temperatures seldom dip below 20° F in winter or rise above [illegible] in summer.

"It's not like anything I'd ever seen," says Robert Glenn Ketchum, who spent seven months photographing the [illegible] Alaskan land. "You just vanish into a landscape that is raw and enormous and completely without trails. It's exciting and terrifying." Ketchum's photographs will be published this month by Aperture in a book titled *The Tongass: Alaska's Vanishing Rain Forest*. The photographer, voicing the concern of a coalition of Tongass protectors, charges the U.S. Forest Service with dire mismanagement of one of its most [illegible] resources. It is not only tampering with the ecological balance of the Tongass by encouraging massive [illegible] harvesting of timber, but it is also promoting a grossly uneconomic enterprise.

The federal government has long viewed logging as the key to attracting settlers to Alaska's isolated 500-mile-long panhandle, called simply Southeast. Early efforts to establish a timber trade were thwarted by Southeast's vast, trackless ter-

Beneath a luxuriant canopy of leaves, moss covers the forest floor. Delicate ferns and lichens, berry plants and wild mushrooms flourish in the dampness, sheltered by the closure of trees. Permanently snow-capped peaks in the Tongass *(top)* rise to 9,000 feet.

Photography: Robert Glenn Ketchum
Text: Rosemarie Robotham



rain. Eventually, in the 1950s, the Forest Service induced two timber companies to locate operations there with 50-year contracts—still in effect—that offered standing timber at prices well below market levels. The Forest Service embarked on an ambitious road-building program to allow access to "old growth" spruce and hemlock—trees more than 200 years old and over 100 feet tall.

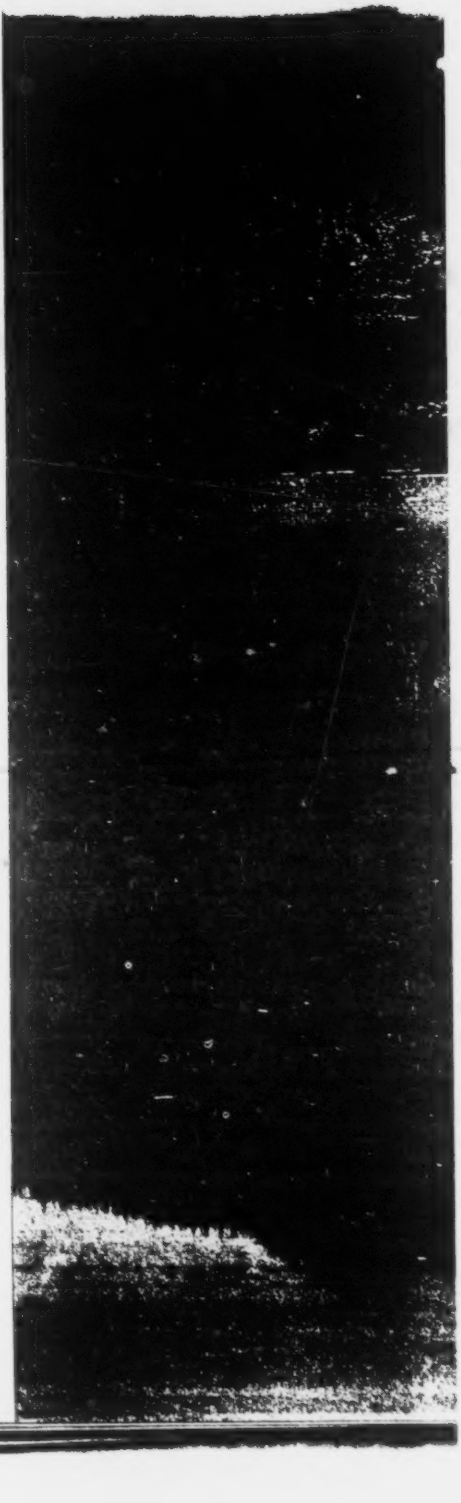
Japan, the main customer for Tongass wood, uses pulp-grade timber to make rayon and cellophane, but these products are increasingly manufactured from cheaper synthetics. And Tongass pulpwood must compete on the world market with timber from countries such as South Africa, where trees sprout more quickly and forests cover gentler terrain. So the Tongass timber program limps along—at a cost to taxpayers of $[illegible] million a year for the last five years.

In fact, Southeast's timber was never profitable. Road construction alone costs an average of $150,000 a mile. In 1980, to strengthen Southeast's timber operations, Congress guaranteed the Forest Service an annual funding of at least $40 million for additional timber management and new roads, and agreed to sell some 4.5 billion board feet of timber—enough to construct more than 430,000 [illegible] houses—over the next decade at greatly reduced prices. Standing spruce appraised at $[illegible] per 1,000 board feet, for example, is sold to the timber companies for only $2.[illegible]. At the same time, the government designated 5.4 million acres of the Tongass as protected land, never to be logged.

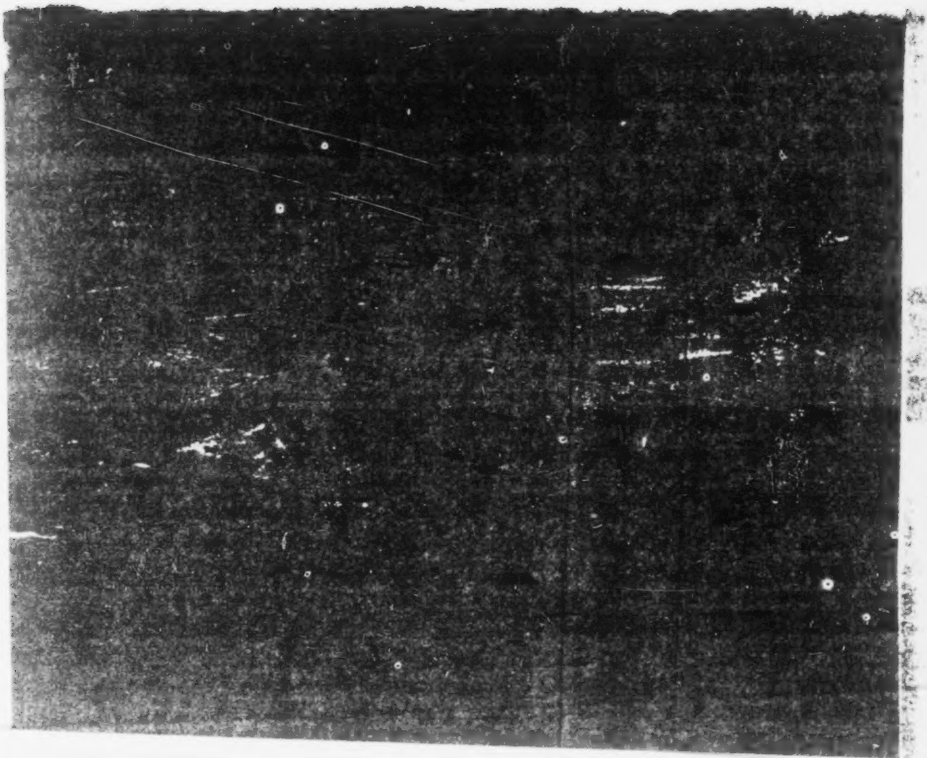
[illegible] a lobby of environmental groups, led by the Southeast Alaska Conservation Council (SEACC) and the Wilderness Society, objected that the protected acreage, most of it steep mountain terrain, was insufficient. They argued that clear-cutting the forest not only leads to the fouling of waters where salmon spawn, but also ruins scenic and recreational resources and harms precious wildlife habitats. Particularly threatened: the Sitka blacktail deer, which lives among the forest's oldest trees. Says Bart Koehler, executive director of SEACC, "The very heart of the forest is what's being cut."

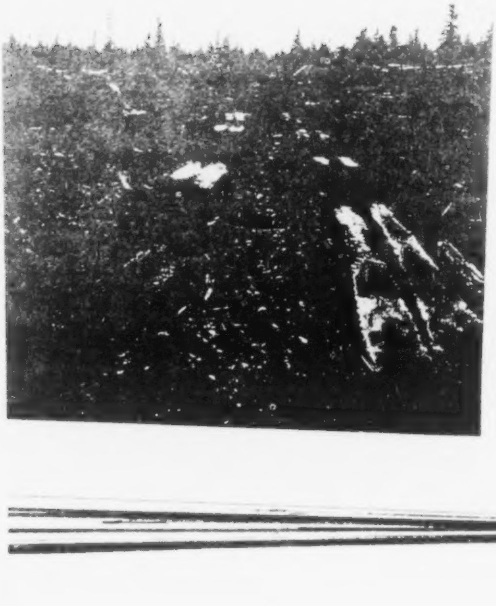
"The trees will grow back," says Ketchum, "but the undergrowth doesn't recover for up to 500 years. Where will the animals live for 500 years?"

The Forest Service takes the position that all its actions are in compliance with federal law. "Timber is a renewable resource," says Paul Alaback, plant ecologist for the Forest Service's research division. "The fact



Spruce and alder colonize the shoreline of a moraine-dammed lake formed from the meltwater of a retreating glacier





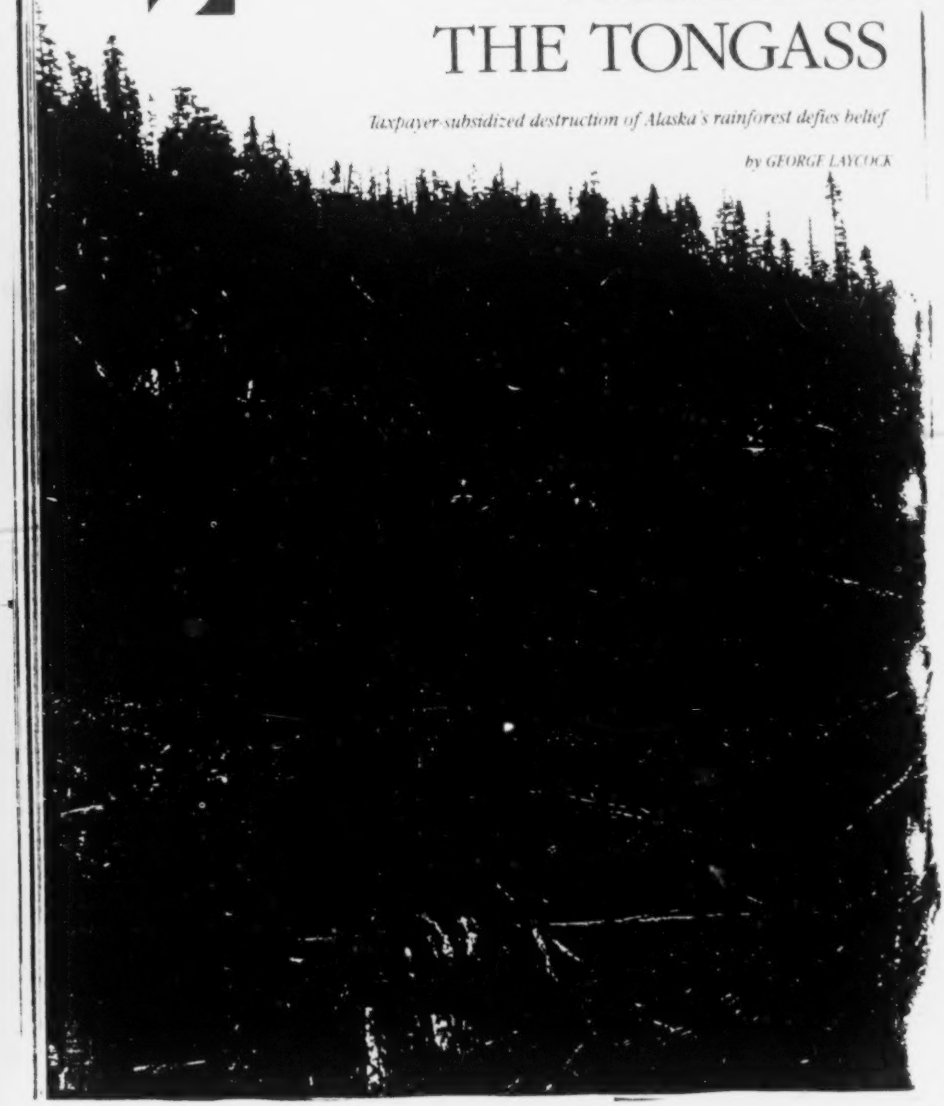
A tributary to the Lisianski Inlet, one of Southeast's richest salmon grounds, braids through sedge grass meadows. Targeted for clear-cutting, trees from the valley slopes may someday be stacked up in a U.S. Forest Service log dump *(left)*.

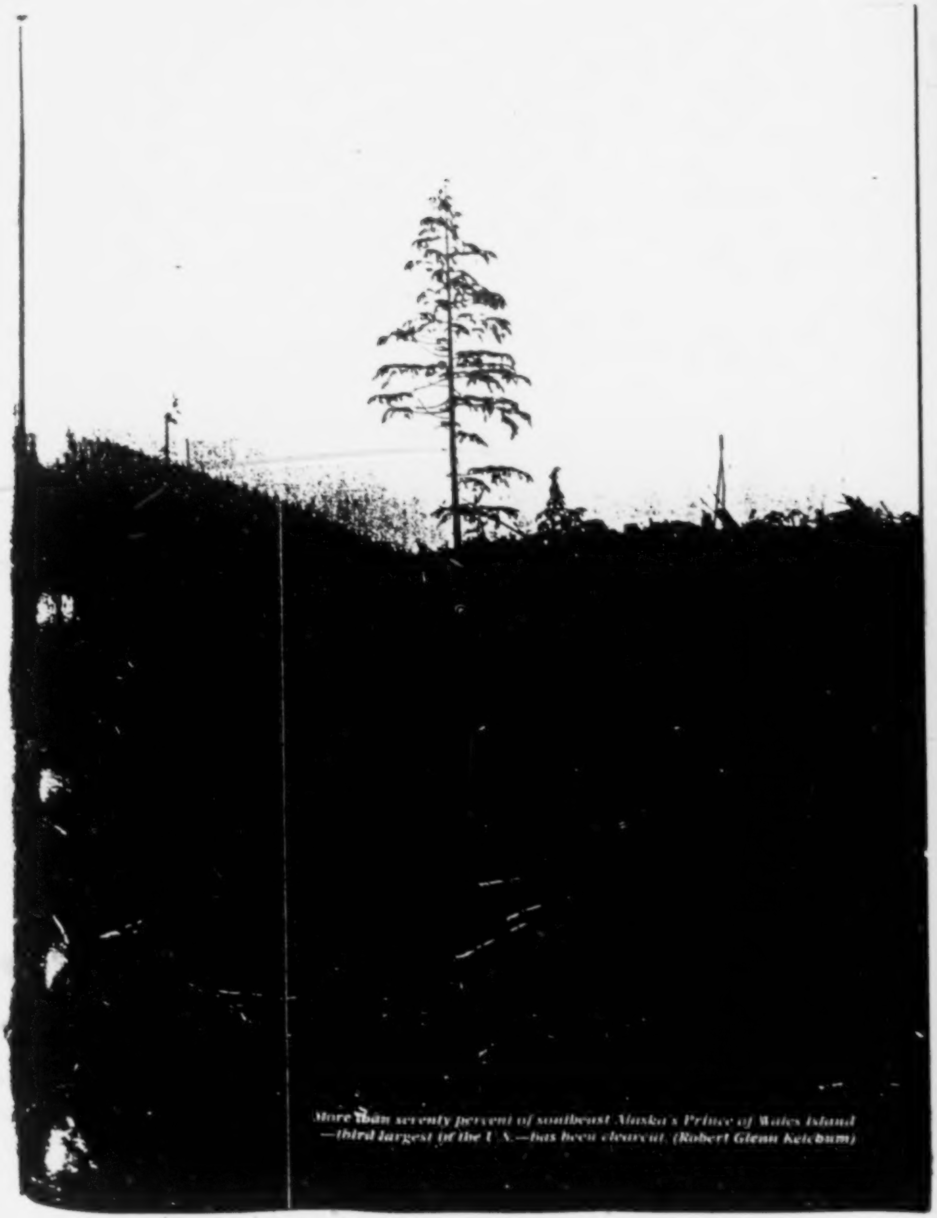
[illegible] The House has [illegible] Senate action is likely early next year. Friends of the Tongass have reason to hope that the wilderness that naturalist John Muir described 100 years ago as "still in the morning of creation" will be preserved. ☐

TRASHING THE TONGASS

Taxpayer-subsidized destruction of Alaska's rainforest defies belief

by GEORGE LAYCOCK





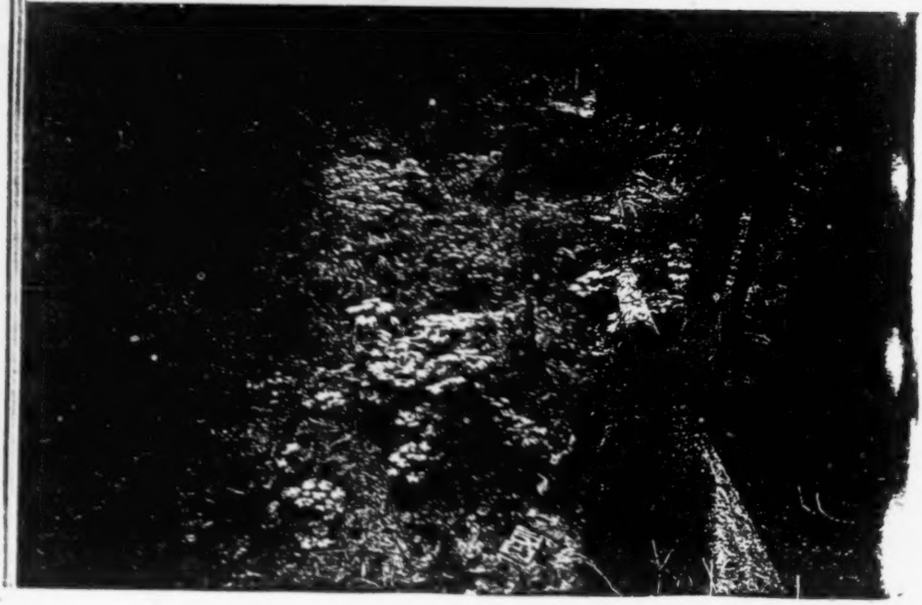
More than seventy percent of southeast Alaska's Prince of Wales Island —third largest of the U.S.—has been clearcut. (Robert Glenn Ketchum)

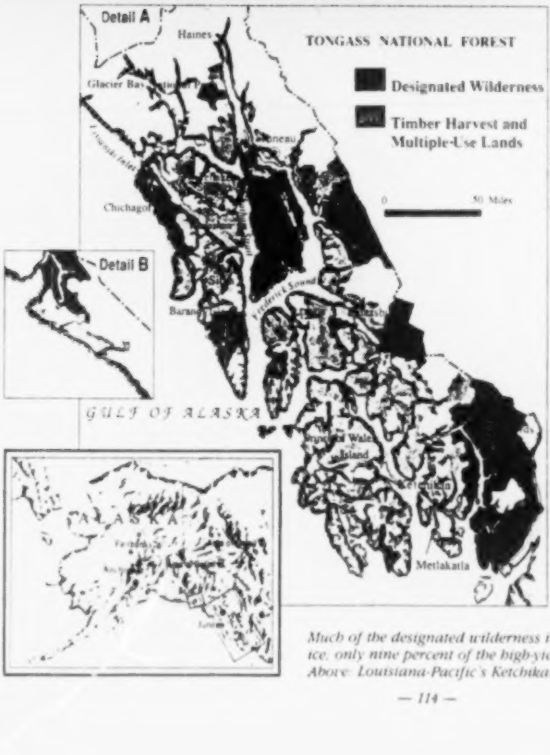
Residents of the fishing village of Pelican have pleaded with the U.S. Forest Service to protect the Lisianski River from logging. One of southeast Alaska's finest salmon streams, the Lisianski's catch is worth $900,000 a year. Its timber stands would bring the government $40,000. Below: A hiker in the old-growth forest of Misty Fiords National Monument.

IF WHAT IS HAPPENING to the Tongass National Forest in southeast Alaska is a crying shame, those who weep the loudest should be bald eagles, grizzly bears, and taxpayers. Year after year we send tens of millions of dollars to our Last Frontier financing the management of this national forest. These millions subsidize the cutting down of one of the last temperate-zone rainforests in North America so the wood can be converted to pulp and shipped to the Orient. Says David Cline, National Audubon Society's vice president for Alaska: "In my sixteen years of work in Alaska, this is the most serious threat to the environment that I've seen."

The southeastern corner of Alaska is a scenic region of islands, coves, fiords, and snow-capped mountains. In portions of the forest not yet clearcut, bald eagles build massive nests in the crowns of two-hundred-foot-high spruces and hemlocks that have stood since the Middle Ages. Along some shorelines eagle nests are spaced one or more per mile, the greatest concentration of bald eagles anywhere.

On the forest floor below, ponderous grizzly bears pad through the woods and along the salmon streams in numbers that make this a world-famous wildlife area. Alaska Fish and Game Department biologist John W. Schoen, who regularly flies out of Juneau in a little yellow Super Cub to radio-track bears, estimates the Admiralty Island grizzly population at one bear per square mile. On this single island there are nearly twice as many grizzlies as there are in all the lower forty-eight states, where we are spending millions of dollars trying to save





the last of the great bears. Recently, in two hours and ten minutes of flying the alpine areas of Admiralty, Schoen counted fifty-six bears—one grizzly every two and a half minutes.

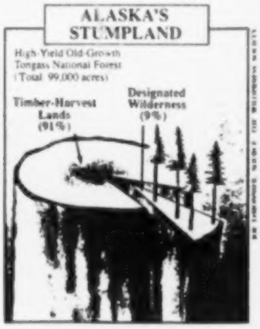
"The bears here have everything," says Schoen. They feed on the spawn-run salmon, eat sedges along the inlets, and fatten on shrubs and forbs in the old-growth timber and the alpine meadows, each in its season. Besides, they usually live free of the corrupting influence of people.

Sitka black-tailed deer also roam in the soft half-light of this coastal rainforest, where martens feed on mice and red squirrels. On the mainland, wolves call to each other in the night. There are Vancouver Canada geese, Steller's jays, chestnut-backed chickadees, red-breasted sapsuckers, and blue grouse. Biologists have also discovered that the marbled murrelet comes in from the sea to nest in the oldest trees.

These resources belong to the American public. Eighty percent of the land in southeast Alaska, 16.8 million acres, lies within the Tongass, largest of all our national forests.

SELLING PUBLICLY owned timber at a loss is not an unusual practice for the U.S. Forest Service, but nowhere else does the magnitude of our loss approach what it is in southeast Alaska.

This waste is rooted in the long-time dream of populating Alaska by selling off her raw materials. Once the sea otters were gone and the gold had petered out, Alaskan settlers looked



Much of the designated wilderness in Tongass National Forest is rock and ice; only nine percent of the high-yield old-growth stands are protected. Above: Louisiana-Pacific's Ketchikan mill, beneficiary of federal largess.

ERWIN AND PEGGY BAUER; RIGHT: ROBERT GLENN KETCHUM

Soft velvet covers the antlers of a Sitka black-tailed deer in the Tongass rainforest. Alaska wildlife biologists say that deer avoid cutover areas, and they predict that blacktail numbers will plummet if Forest Service logging plans are not curtailed. Right: A forest of giant alders in the disputed Kadashan drainage on Chichagof Island. Old-timers believe such "salmon trees" owe their unusual size to soil rich in nitrogen from the spent bodies of spawning fish. Only recently have scientists come to understand the old-growth forest ecosystem. In contrast, young forests of even-aged trees are sterile wildlife habitat.

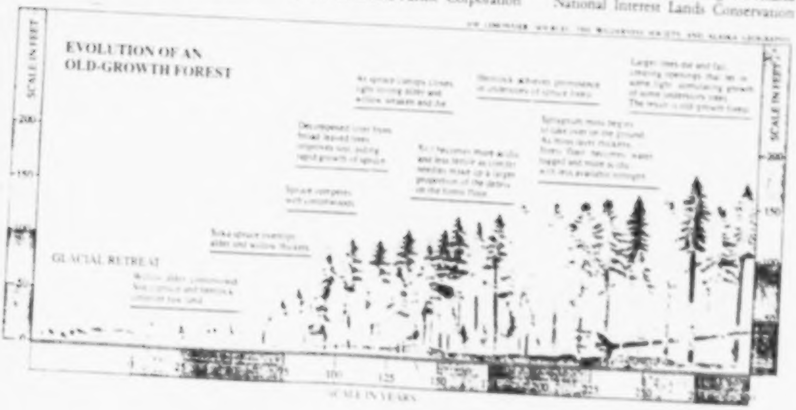
increasingly to the forests to sustain them. The U.S. Forest Service arrived on the scene early in this century and viewed its mission as harvesting timber to encourage settlement. Within a few years it decided that Alaska could accomplish this only if she had giant pulp mills to replace the little independent logging operations.

The man who eventually moved this idea from dream to reality was B. Frank Heintzleman, a dapper visionary who arrived as forest supervisor in 1936. Heintzleman was a crusader who traveled and campaigned until, by the mid-1950s, the Forest Service had enticed two corporations to build new mills in southeast Alaska. One of these mills, built at Ketchikan, is operated by the Louisiana-Pacific Corporation. The other one is the Japanese-owned Alaska Pulp Corporation at Sitka.

To sweeten their deal, the companies were guaranteed timber for fifty years at sacrificial prices. Fifty-year contracts were previously unheard of in the Forest Service. With the contracts as a foundation, the two companies henceforth dominated the Alaska timber industry.

But even when paying giveaway prices for their raw materials, the pulp mills failed to stabilize Alaska's economy. Periodic unemployment remains a serious problem today, presenting politicians with a convenient dragon in need of slaying.

And this was the situation in 1980, when Congress was writing the Alaska National Interest Lands Conservation


EVOLUTION OF AN OLD-GROWTH FOREST
SCALE IN FEET
200
150
GLACIAL RETREAT
Sitka spruce overtops alder and willow thickets
Spruce competes with cottonwoods
Decomposed litter from broad-leaved trees improves soil, aiding rapid growth of spruce
As spruce canopy closes, light-loving alder and willow weaken and die
Soil becomes more acidic and less fertile as conifer needles make up a larger proportion of the debris on the forest floor
Hemlock achieves prominence in understory of spruce forest
Sphagnum moss begins to take over on the ground. As moss layer thickens, forest floor becomes water-logged and more acidic with less available nitrogen
Larger trees die and fall, creating openings that let in some light, stimulating growth of some understory trees. The result is old-growth forest.
SCALE IN FEET
200
150
100
125
150
225
250
SCALE IN YEARS

Timber industry promoters saw in [illegible] legislation a golden opportunity [illegible] corporate gain. Furthermore, they [illegible], correctly, that Alaska's Senator [illegible] Stevens could deliver for them.

Stevens, proclaiming the need for [illegible] employment, promptly tacked [illegible] the Senate version of the Alaska [illegible] a remarkable set of demands in the [illegible] section 705(a). This addition [illegible] that the United States government guarantee Alaska's two giant [illegible] mills 450 million board feet of [illegible] from the Tongass National Forest every year.

In addition, 705(a) would require the United States Treasury to hand the Forest Service an annual $40 million, "... or as much as the Secretary of Agriculture finds is necessary ..." to make the timber available to industry. Other national forests must justify their budgets for each new year. But Senator Stevens insisted that the Tongass be excused from the risks of the annual budgeting process. This multimillion-dollar subsidy was to go on and on indefinitely.

WHERE DID STEVENS get his $40 million figure and the annual quota of 450 million board feet? "The timber industry wrote those provisions," says veteran wildlife biologist Jack W. Lentfer, retired Southeast Division supervisor of the Alaska Department of Fish and Game.

Lentfer also recalls the logging industry's political intimidation. "Our department," he says, "was not even allowed to provide information on how the timbering would affect fish and wildlife habitat."

To be sure, some congressmen ob-

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posed to the unprecedented subsidy and its threat to the publicly owned forest. But Stevens strong-armed the bill through Congress. "We had no choice," admits Ohio's John F. Seiberling, who steered the bill through the House of Representatives. "The House had to go along with the Senate version or there would have been no Alaska lands bill passed that year at all."

The potential loss to the taxpayer should have made every congressman uneasy. For every dollar invested in selling Tongass National Forest timber in 1983, for example, the return was only nine cents. In 1984 the U.S. Treasury recovered only seven cents on the dollar. Some calculations place the return as low as two cents on the dollar. From 1977 through 1986, the total loss was at least $[illegible] million. For the five years beginning in 1982, when the forty-million-plus Timber Supply Fund dollars began pouring into Alaska, the Tongass National Forest was handed a total of $[illegible] million. Against this expense the Forest Service credited the Tongass with a total income of $41 million, leaving a shortfall of $[illegible] million. Actually, the shortfall was even greater, since only eight percent of the $41 million in claimed income came from timber.

Meanwhile, the market demand for Alaska's timber has fallen. Timbering is an expensive business in Alaska, and lower priced wood is available on the world market. The Forest Service itself anticipates a long-term decline in demand for pulp. Nevertheless it insists that, no matter how low the demand or how great the losses, it must still try

LEFT AND BELOW: MARK KELLEY

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AND TAY
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Support Tongass Reform Act

MARK KELLEY

somehow, to get the Alaska mills to process the full 450 million board feet a year as prescribed by Congress.

In recent years actual sales fell far short of this goal. To encourage sales, the Forest Service set new bargain-basement stumpage prices. Giant spruce trees that had brought the government in excess of two hundred dollars per thousand board feet were at one point marked down to about two dollars per thousand. At current prices a mature one-hundred-foot-tall Sitka spruce, measuring twenty inches in diameter at breast height and yielding around a thousand board feet, goes for a couple of dollars—about the price of a hamburger. And still the Forest Service has failed in recent years to sell its 450 million board feet, and the industry remains in the doldrums.

More than half the high-value old-growth timber is already gone from this forest, and the remainder has high priority on the Forest Service timbering plans. The high-yield stands are predominantly on the lower slopes, where they are most easily reached. Close observers believe that these stands will be gone in another fifteen or so years and that this will spell the end of the industry in southeast Alaska. The mill owners may already anticipate this. Conservationists point out that they make little effort to keep their plants modernized.

THE TONGASS PLAN obviously is not solving the unemployment problem. Since implementation of Section 705(a), according to National Audubon Society spokesman Brock Evans, "employment in southeast Alaska's timber industry has dropped nearly fifty percent, from thirty-five hundred in 1980 to about eighteen hundred today." In one recent year Alaska paid more than four million dollars in unemployment benefits to out-of-work loggers. It sent a third of this out of state to nonresidents who had come to Alaska temporarily to take forest-industry jobs.

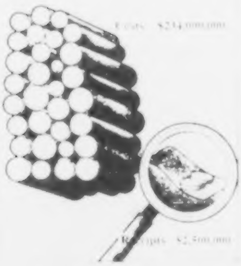
By one estimate the United States taxpayer spends in excess of $25,000 a year to keep each of Alaska's timber-industry employes in a job. Former Congressman James Weaver of Oregon says, "We can take $40 million of U.S. taxpayer money and create jobs anywhere."

One reason the Forest Service continues to beat its dying mule is that the

ROBERT GLENN KETCHUM

A Juneau rally expressed support of many area residents for action by Congress to reform management of the Tongass. Says Bart Koehler (top), head of the Southeast Alaska Conservation Council, "The Forest Service has been reduced to merely running a plantation for two pulp mills on lands that belong to the American public." But regional forester Michael Barton (above) views the multimillion-dollar subsidy (graph) as money well spent. Some of those funds pay to build "roads to nowhere" like this eight-mile cut into the idyllic Kadashan River drainage.

CUTTING LOSSES



windfall subsidy of 1980 created a bureaucrat's heaven. Large appropriations are cherished by government agencies. Big money means a big staff—the Tongass National Forest has more than five hundred permanent employees—and more security for all. Michael A. Barton, regional forester in Alaska, objects to calling the annual appropriation a subsidy. The Forest Service prefers instead to view its annual multimillion-dollar bounty as money well spent to make timber available. It is content to interpret 705(a) as a congressional mandate to prepare the unique Alaskan rainforest for the chainsaw.

In pursuit of this, a large part of the subsidy goes to build roads into wild

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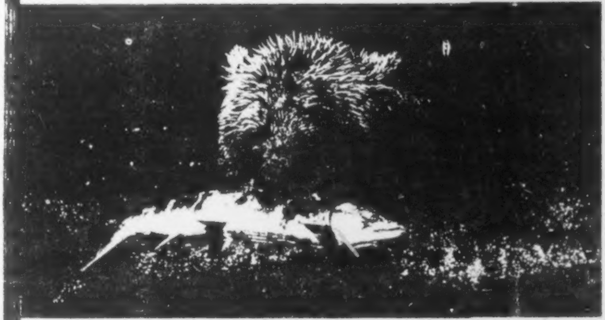
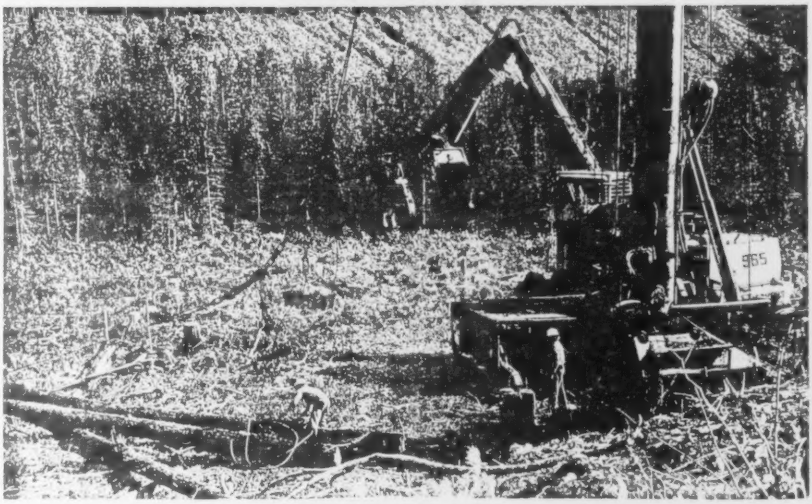
The American public is poorer, conservation leaders say, not so much for the money spent to subsidize destruction of the Tongass rainforest, but more for the loss of bald eagles, grizzly bears, and the salmon runs that sustain them. Eagle nests—in the crowns of 200-foot-high spruces and hemlocks—are spaced a mile or less apart on wilderness coastlines that have been spared from the chainsaw. One island, Admiralty, boasts twice as many grizzlies as there are in the entire Lower 48.



areas at around $150,000 a mile. The cost sometimes exceeds the value of the timber to which the road leads. As timber sales fell in recent years, the Forest Service also stepped up the tempo of its road building, sometimes to fifty or more miles of new forest roads yearly and often into areas where timber is less and less attractive to industry. At the current pace the Forest Service is expected, within fifteen years, to have roads into every remaining wild area it hopes to clearcut.

Last summer the Forest Service attempted an end run around a court ruling forbidding it to build a new road on the uninhabited island of Kuiu, south of Admiralty. Frustrated, and eager to get as much road built



into wild places as possible before Congress can slow it down, the Forest Service simply granted the Alaska Pulp Corporation a permit to build the road itself. The Southeast Alaska Conservation Council promptly took the Forest Service back into court seeking an injunction. The court, although implying that the law favored the conservationists, ruled for the timber industry. This is the same court that was reversed in an earlier and similar case on another segment of the Tongass. The Southeast Alaska Conservation Council is also appealing the Kuiu decision. But appeals take time, and meanwhile the road into Kuiu is being rushed ahead before a higher court can stop it.

Nobody, except perhaps the Forest Service, is really happy with this road-building program. The timber companies, primarily interested as they are in the highest yielding stands, complain that the Forest Service roads lead to low-value trees. Conservationists see these "roads to nowhere" as disastrous. They give ready access to the finest wildlife areas, reducing their value for bears and other wilderness species. Roads also render moot any further question of wilderness designation, a fact not lost on the Forest Service. And although the timber industry complains that designated wilderness areas lock up the best Tongass timber, the truth is that only nine percent of the forest's commercially high-yield timber—stands with more than 50,000 board feet per acre—is included in wilderness. Much of the designated wilderness is barren alpine country.

THE STRONGEST CRITICISM of the Forest Service often comes from those who understand the service best—its former employes. Among them is K. J. Metcalf, who now operates a store in the tiny native village of Angoon, on Admiralty Island's west coast. In a recent letter to regional forester Mike Barton, Metcalf acknowledged receipt of a document in which the Forest Service insisted that commercial logging in the Tongass created no serious social, economic, or environmental problems. This propaganda arrived on the same day Metcalf sent in his tax return. "I felt sick," he told Barton. "I was not only helping to pay for the cutting of the Tongass and the destruction of those values that I and others hold dear, but I was also paying for your white paper."

Metcalf, who worked for the Forest Service for twenty-six years and who, in

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the mid-1970s, was assigned to lead a team examining the complaints being lodged against the Forest Service in Alaska, believed that he was helping turn conditions around on the Tongass. Today he sees the forest still being destroyed. "It was little more than a stall," Metcalf told me. "I was deceived into thinking that a new era of management was at hand." He considers it "obvious" that the Forest Service is rushing roads into the finest remaining timber stands so there will be less objection when it does get around to letting logging contracts on these areas.

Metcalf is one of a rapidly growing number of disenchanted Alaskans saddened by the destruction of the Tongass. Conservation organizations see the threat to the Tongass as extremely serious. Hunting and fishing guides see threats to the game populations, while commercial fishermen predict heavy damage to southeast Alaska's spawning streams, which annually have accounted for nearly a quarter of the state's $400-million commercial salmon catch. Others are concerned that the bustling Alaska tourism industry will suffer as the mountainsides are stripped of their ancient forests.

Tourism is a rapidly growing, low-impact use that annually feeds more than a billion dollars into the state's economy. In southeast Alaska alone, the tourist business employed thirty-two hundred people by 1984. It employs more people than either fishing or logging. The number-one attraction for these visitors, and the second-most-popular tourist attraction in all Alaska, is the Inside Passage, which leads cruise ships through a maze of timbered islands. "People don't come here to see clearcuts," warns Dave Cline.

WHILE THE TAXPAYER LOSS in dollars is tragic enough in these days of skyrocketing deficits, the longer-range tragedy lies in the lasting destruction of Alaska's spectacular rainforest.

Until recently, foresters, and even wildlife biologists, claimed that old-growth forests are poor wildlife producers. Given the advantage of hindsight, this claim makes little sense. What we see in old-growth forests are complete ecosystems composed of organisms that evolved together. Centuries of shaping on the anvil of evolution assembled optimum populations of plants and animals into vigorous, complex wild communities.

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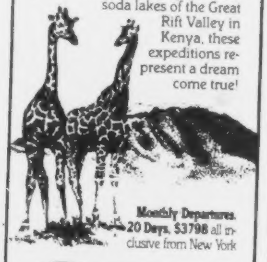

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Tan Sahsa

real value of old-growth forest to wildlife. The Alaska Department of Fish and Game assigned John Schoen and Matthew D. Kirchhoff to investigate this question in relation to Sitka black-tailed deer. They found that most deer avoid cutover areas, especially in winter. Biologists, using sophisticated modeling, now predict that if the Forest Service carries out its logging plans, deer populations will fall by 75 percent in the most productive watersheds.

In 1986 Schoen spoke of these findings before an oversight hearing of the House Committee on Interior and Insular Affairs. Displaying a picture of a seventy-year-old Tongass National Forest clearcut to the Subcommittee on Public Lands, he said, "These trees are all the same size, evenly spaced . . . very little light gets into the understory, and there is very little vegetation." He called such a cutover region a "relatively sterile wildlife habitat."

For contrast, Schoen showed the congressmen an old-growth forest. In this uneven-age stand the multilayered canopy allows enough light through to nourish abundant growth of deer foods. Furthermore, the strong branches of the old trees short-stop much of the snow that falls through the younger stands and buries plants out of reach of deer in critical winter months.

If allowed to grow back, the clearcut area will not even approach the beginning stages of an old-growth forest in that northern country for two hundred and fifty to three hundred years. Even if time brings the trees back, the forest will not be the same. The American Forestry Association calls old-growth forest a "non-renewable" resource. When we cut down Alaska's old-growth forests we are mining a finite resource. When it's gone, it's gone.

The Forest Service wants to see old-growth stands replaced with younger trees of uniform size to be harvested on a hundred-year rotation plan. Furthermore, it wants to get the old trees cut and out of the way before public opinion stops it. Bart Koehler, executive director of the Southeast Alaska Conservation Council, told a congressional committee, "The Forest Service has been reduced to merely running a plantation for two pulp mills on lands that belong to the American public."

WHOLE COMMUNITIES sometimes find the Tongass logging plans threatening their way of life. Some fifty miles southwest of Juneau is Tenakee Springs, a small, isolated sea-

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shore village beside a sheltered inlet on Chichagof Island. There are no roads, and the residents want to keep it that way. Their major sources of income are commercial fishing and tourism. When the Forest Service began planning to let logging contracts for the idyllic Kadashan drainage across the inlet, Tenakee Springs and the Southeast Alaska Conservation Council took the agency to court, arguing that the Forest Service needed to write a proper environmental impact statement. The court ruled against the Forest Service, but the agency still has not given up hope of logging the Kadashan drainage.

The Forest Service plan calls for timbering only twelve percent of this scenic watershed. Conservationists argue that instead of ruining the valley for much of its permanent recreational and fishery value—the Kadashan River is one of the most productive pink and chum salmon spawning streams in southeast Alaska—the agency should simply keep the tree-cutters away from the Kadashan and other similar drainages. The Forest Service repeats its argument that all such areas are needed to provide the timber that Congress has ordered cut.

The injunction won against the Forest Service may not save the Kadashan drainage for long. Forest Service officials make it plain that they intend to correct their paperwork, which the court found inadequate, and finish logging the Kadashan in spite of Tenakee Springs.

On the other side of Chichagof is an example that should make even the Forest Service blush. The Lisianski River area is outstanding for bears, deer, and geese, and the river itself is among the finest wild salmon streams in southeast Alaska. It produces more than $400,000 worth of salmon a year and has other values as well for subsistence living and sport fishing. However, it also has a stand of timber that the Forest Service wants to feed into the pulp mill in Sitka.

At current prices, the coveted timber along the Lisianski River corridor will bring the government some $40,000. But it takes money to make this timber available to the loggers, including $1.6 million for forest roads, plus other costs expected to bring the total to around $3 million. To this must be added any losses of the self-renewing salmon crop and other resources. On the other hand, Bart Koehler has calculated that the Lisianski River in its wild state and with little cost in public

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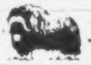

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Confronted with the possible loss of its subsidies, the timber industry reacts angrily. Juneau attorney James F. Clark, widely viewed as the principal spokesman for the Alaska timber industry, asked me, "How are you going to work with the environmentalists? How can you trust people who won't keep a deal?"

"Congress doesn't make deals," responds Congressman Morris K. Udall. "Congress makes laws, and laws can be changed if they prove to be bad laws."

As Bart Koehler points out, "This so-called 'deal' was put together during last-minute, closed-door meetings in the Senate. The language was never reviewed by any congressional committee or subject to any hearings. It was a bad law then, and it's a bad law now."

Conservationists also point to the poor record these companies have as corporate citizens. In the early 1980s federal courts found the two giant timber companies guilty of conspiracy to manipulate timber prices and to force smaller companies out of the logging business on the Tongass, a violation of the Sherman Antitrust Act.

Oregon's Jim Weaver, after sitting through extensive hearings on the Alaska forestry situation, called what we are doing to the Tongass National Forest "unbelievable." He concluded sadly, "These companies don't even make much money on this. We are just desecrating the Tongass, not for economics, not for community stability, not for employment. We are just doing it mindlessly."

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Senator WIRTH. Thank you very much, Senator Proxmire.

We have heard a good deal of discussion today about a deal being made, and you made reference in your testimony to a five-year review period.

Could you refresh us a little bit on that? There was in the legislation to be a period of review after the program had been going for five years; is that right?

Senator PROXMIRE. That is right, and I think that that was also the understanding of Congressman Udall, who, if there was a deal, was certainly an important party to it.

It is not a mandate to produce a specific cut level regardless of their findings of future land use plans, demand for national forest timber or the cost of the taxpayer. It is in five years we look at it, and we have oversight provided, and that is exactly what this bill I am introducing provides, and that is precisely, it seems to me what your committee is doing.

Senator WIRTH. Do we have the authority in the Congress to bind future Congresses?

Senator PROXMIRE. I have been here 30 years, and I have always felt that we have absolutely no authority to do that. There is no way we can do that. Of course, future Congresses can study what we have said, and perhaps they can choose to act on that basis, but there is no way that we can bind a future Congress or we should feel bound by past Congresses.

Senator WIRTH. The argument is made that there should be no changes made in ANILCA because that was part of a package deal; is that right?

Senator PROXMIRE. That is my understanding of the argument but, as I say, this is something that is certainly a principal figure in working out this arrangement. Congressman Udall has made it clear that he does not feel that that was a fixed arrangement, and he is a co-sponsor of the bill in the House.

Senator WIRTH. Do you know of any other changes that have been made in ANILCA since it was passed?

Senator PROXMIRE. No, I do not.

Senator WIRTH. Do you know of any others that were proposed to be made?

Senator PROXMIRE. Any that were proposed to be made?

Senator WIRTH. Let me tell you what I am asking about. There are those who suggest that there should be no changes made; that a deal is a deal and it should not be changed.

I would like to get Senator Murkowski's reaction to this. It is my understanding that legislation was proposed in 1983, S. 49, which proposed changing 11 million acres of national parks in Alaska to national preserves in order to allow sport hunting.

In other words, there was a proposal to change the basic fabric of ANILCA and it was supported by Senator Stevens, Senator Murkowski and Senator McClure and others.

Now, I know that consistency is not necessarily the mother's milk of politics, but, on the one hand, to argue that you cannot make any changes in a deal but, on the other hand, to propose making changes to a deal does not impress me as necessarily being consistent.

Now, my information may be incorrect on that.

Senator PROXMIRE. Well, what impresses me are the people who proposed the change. I do not know if you mentioned the junior Senator from Alaska. You mentioned the senior Senator from Alaska. I understand that the two Senators from Alaska, of which the senior Senator is here, had a bill which was passed dealing with the transportation portion of ANILCA several years.

Senator WIRTH. So that was a change as well from the initial legislation?

Senator PROXMIRE. Right.

Senator WIRTH. Senator Proxmire, again I would thank you very much for your patience today.

Senator Murkowski.

Senator MURKOWSKI. Thank you.

Senator PROXMIRE. Senator Murkowski, before you speak let me state that I sympathize with you, but I hope you will sympathize with me. There is nothing worse than coming before a committee and making a proposal in another Senator's state, exclusively in his state, when he is sitting on that committee and he is opposed to your position.

So I recognize that, and I certainly respect the strong feeling you have on this, but I hope you will understand that you have me at a very serious disadvantage. I hope you enjoy it, because I am not sure that I will. [Laughter.]

Senator MURKOWSKI. I will not take visible glee. How is that?

Seriously, when you talk about a deal, you also talk about the merits of the deal and whether there was, indeed, value.

As witnesses have already testified, and I think we generally agree, approximately 1.3 million acres of commercial timber was taken out of the commercial harvest and put into wilderness and, in consideration of that, the wording in the legislation said at least $40 million will be provided annually to make up for the accessible timber that was represented in that 1.3 million acres that was set aside in wilderness.

That was the consideration, and you were chairman of the Banking Committee and I was a banker. We all understand the aspects of a fair and equitable exchange, but it is for consideration for value.

Do you think that the consequences of that as far as a binding agreement should stand the test of at least the term of the investment associated with what has gone into southeastern Alaska? Obviously you have pulp mills that have to amortize their investment. They continually have to upgrade and meet with EPA regulations and so forth. These are all associated costs.

Now, is that not due consideration for value given the price of wilderness?

Senator PROXMIRE. As the Chairman of the subcommittee pointed out, I think this is something that each Congress has to review and consider.

As he indicated in his statement, there is no way we can ever bind our successors. They have every right to re-examine what we have done and consider whether or not to go along with it.

Now, they may agree with the position that you and Senator Stevens take and feel that this was a commitment; they will keep it in perpetuity, and that is it. I do not think, however, that there is any way we can force them to do that.

Senator **MURKOWSKI**. We have had the pulp mills go on and make a substantial investment based on what they assumed was a binding contract with the Federal Government. If we break that contract, then obviously you would support a settlement of whatever their damages were decreed to be legitimately in a court of law, regardless of what that price may be.

Senator **PROXMIRE**. Not regardless, but perhaps that is an alternative that ought to be looked at.

Senator **MURKOWSKI**. But when you have a situation like this that is obviously wasteful in which we are spending such an enormous amount of money and getting virtually no return, when the jobs involved $36,000 apiece, I think obviously the Congress has every right to look at that under the terrific stress we have to hold down spending everywhere we possibly can, and I think we have a right to do that.

Now, it may be that some kind of a settlement has to be worked out on it.

Senator **PROXMIRE**. I do not dispute the fact that the Federal Government could not do a better job. The Forest Service could do a better job. I think we are all aware of that.

Senator **MURKOWSKI**. You are, however, addressing the livelihood of a major portion of my state. There are currently 3,000 jobs in the woods and in the mills. There are anther 3,000 jobs in direct support.

The question that keeps coming that has not yet been answered at this hearing is what are you going to do, Senator, with 50 percent of the timber that is not suitable for log export or primary manufacture? You are familiar with the practicalities of clearcutting. That is the only possible way you can log in southeastern Alaska. You have been there; you have seen it.

Senator **PROXMIRE**. As you know, Senator Murkowski, many people in Alaska disagree with your position. I am sure many support it. You are the Senator. You have a much better judgment than I have as to what the majority of people in Alaska may feel.

As far as jobs are concerned, it is my contention that the jobs that you get in recreation and fishing and so forth which could be endangered by proceeding with this without modification probably, on the face of everything I have seen, exceed the jobs that would be lost by following a prudent fiscal position.

Senator **MURKOWSKI**. Well, Senator, you know, we have 57 million acres of wilderness in our state. Now, that is a pretty big chunk of real estate. You can add Massachusetts, New Jersey, Hawaii, Connecticut, Delaware and Rhode Island, and that is about what they come up with.

So when you talk about the forests, you have to keep in mind the same ratios. We have 5.6 million acres in wilderness out of 17 million acres.

So you are saying take away the Tongass and see what we have to pay in litigation. I am saying we can have a healthy timber industry. We can dispose of that portion of our forests that is allowable to be cut, approximately 1.4 million acres, and still maintain a wilderness in the other areas that we have set aside.

It is like me going into your state and asking you about milk price support or dairy cattle. You know a lot more about it than I do, but the implication is that there is some kind of a subsidy. You are attacking a subsidy here for a price of wilderness or a price that Congress made a deal on for wilderness.

There is a parallel. You are talking about giving an award for Golden Fleece. There are all kinds of aspects of subsidy, but here, if there is a direct return as a consequence of improved market conditions, which we are now seeing for the first time in several years, which is why there is more employment, is that not justification for continuation of the program?

Senator PROXMIRE. There may or may not be a return, but you know perfectly well, Senator Murkowski, that the Tongass is exceptional. You have grizzlies, you have bald eagles, you have a special kind of wildlife. It is not as if you can say forget about that. We have lots of other wilderness. We have lots of other areas.

Senator MURKOWSKI. We are not cutting it all, either.

Senator PROXMIRE. That may well be, but this is certainly one area of your beautiful state which just seems to me is very special as far as the environment is concerned.

Senator WIRTH. If the Senator would yield.

Senator MURKOWSKI. Let me just finish my statement.

The facts remain. Out of the 16.8 million acres in the Tongass National Forest, the commercially suitable timber available for harvest is 1.75 million acres, less than 11 percent of the entire forest, or one-tenth of 1 percent over a 100-year cycle.

Now, you are saying do away with it all.

Senator PROXMIRE. What I am saying is that it is such a bad deal from a dollar and cents standpoint. That is a loser for the Federal taxpayer.

Senator MURKOWSKI. What bout milk price supports?

Senator PROXMIRE. I have been willing to follow the voluntary incentive program. If we did that, we could save all kinds of money. That was a program I introduced into the Senate. It was introduced into the House. We had it for 15 months. We saved $1 billion. We cut commodity credit corporation acquisitions in half.

Senator MURKOWSKI. What are we doing? We are buying cows to slaughter and not paying the farmer?

Senator PROXMIRE. No, no, no. This is not the whole herd buyout. This is a different kind of a program, and it is a program that worked but Congress chose not to go ahead with it.

Senator WIRTH. If the Senator would yield, it is my understanding from your legislation that you are not proposing ending all timbering and turning this into wilderness.

It is my understanding that what the legislation which you have offered and I have co-sponsored effectively says is that if you can make money bidding on the timber, go ahead and do it, and if that group cannot do it, let somebody else go bid on it and make it operate within a competitive bidding marketplace. If nobody wants to bid on it, do not subsidize it and do not cut the timber.

Senator PROXMIRE. That is exactly right.

Senator WIRTH. It seems to me it is not a matter of saying all wilderness or no timber or whatever. It is just simply a matter of saying if the market works, fine. If it does not work, wait until the market gets better.

Senator **Proxmire**. What I am saying is that we do not need to continue the program as is in a mindless way.

The purpose of our bill is to reconsider the program and come up with something that is better; maybe a cut of one-half the size of the present Act, something that is much more sensible at a time when we are doing everything we can to save money.

Senator **Murkowski**. We can argue the merits of this for a long time, gentlemen, but there is one question that not one witness has addressed, and that is when you log, because of the uniqueness of southeastern Alaska, you have a mix of timber grades, some of which have a harvestable economic value as logs, and they are exported if they can be, particularly the Native timber.

Currently, without exception, the Native pulp is being marketed to the pulp mills. They are getting about 60 percent of their pulp from those sources simply because the market has improved.

Now, if you do not have an outlet, Senator, for roughly half your timber, what in the world are you going to do with it? You are not going to be able to afford to go in and log selectively, so, as a consequence, you do not have an industry. That is why the pulp mills were put in, to utilize a portion of the timber that had no other utilization capability.

Senator **Proxmire**. The answer to that is you utilize it to the extent that you can sell it at a profit.

Senator **Murkowski**. But you cannot, Senator.

Senator **Proxmire**. You operate it the way you operate your bank or any other operation.

Senator **Murkowski**. You do not. I think it is like farming. You do not go in and cut a few grains of the better wheat and leave the rest. You cannot do it. You cannot go in and cut southeastern Alaska selectively.

If you are going to log it, you have to log it, and you have to be able to dispose of it. If nobody will buy the logs because of the defects and the inferior quality of nearly 50 percent of your timber, then have you not effectively killed the market, just like you have effectively been unable to economically harvest your field of wheat.

Senator **Proxmire**. Senator Murkowski, I have just proposed something offhand. I do not know if I was wise in proposing it or not. We might be able to work out some kind of a compromise in which we could continue to some limited extent.

If you object to that, then it seems to me that the logic is, from the standpoint of the American taxpayer, to enact our bill, and that is it.

Senator **Murkowski**. I kind of resent, Senator Proxmire, your suggesting that it is either a take it or leave it, that we either take the compromise or accept the consequences.

This was a binding agreement between the Federal Government, and it said at least $40 million. It said price of wilderness, and value and consideration was given. Now you are suggesting that this Senator has to take it or leave it. I do not think we do.

I think we have a binding agreement. You are giving no consideration to the cost of litigation, what it would take to break these contracts. I think you will find, and I hope that some of you will be able to sit through the presentations of some of those who have the responsibility in the Tongass and can address what the current market is doing.

The current market is supporting a return, modestly at this time but a return, to the Federal Government which it was not able to do under the previous market conditions. I would also hope that you gentlemen would reflect on the merits of what you are going to do with the balance of that timber that you cannot use for any other purpose.

Senator **Proxmire**. You are saying that a binding agreement is forever, perpetuity?

Senator **Murkowski**. Senator, you have been involved in it as much as I have. When you make a binding agreement with the Federal Government upon which companies go out and borrow money to amortize an investment and make improvements in plants and equipment on the basis of the integrity of that contract, it should be binding.

Senator **Wirth**. It seems to me, if I might, Senator Proxmire, rather than getting into binding agreements and pulp mills and so on, as I understand your legislation, all you have done is to say let us put this on the budget and have it compete against every other appropriation. Is that right?

Senator **Proxmire**. That is right. This is the only forest that is off budget. I see nothing wrong with that.

Senator **Wirth**. Leaving aside all of the other things that we have heard about, your legislation effectively says let us put this on the budget and have it compete with roads and milk and national parks and education and everything else, is that not right?

If it is a good deal, the Congress will appropriate money. If it is not a good deal, the Congress will not appropriate it. Is that right?

Senator **Proxmire**. That is right.

Senator **Murkowski**. Let me ask both of you. Obviously, neither one of you is bound to respond, but if you are going to take that line of thinking, then I assume you would support taking the land, the 1.3 million acres, out of the wilderness as well as repealing the fund.

That is equitable, is it not? Put it up for sale.

Senator **Wirth**. I do not understand what taking 1.3 million acres out of wilderness has to do with it.

Senator **Murkowski**. Well, that is how we got into this thing in the first place. They took 1.3 million acres out of the commercial timber area and put it in wilderness.

All right, what are the merits of taking it back out of the wilderness——

Senator **Wirth**. That is not what Senator Proxmire's bill says. Senator Proxmire's bill, as I understand it, says let us put this on the budget. That is all it says.

If the Senator from Alaska wants to repeal the wilderness designation, let him introduce legislation to do so. I suspect the chances of that passing in the Congress are pretty small, but you can go ahead and do that. That is perfectly within your rights.

Senator **Proxmire**. The Senator from Colorado has obviously refused to even consider the point that that is the basis under which we got into this entire conversation, based on the legislation which would take away the entitlement, and I am suggesting if that is equitable, then take the value you received.

Senator MURKOWSKI. You are a businessman. You understand what value received is: 1.3 million acres which were given in consideration for. Take that out of the wilderness and put it back in the forest and put it up for competitive bids.

Senator WIRTH. I can assure the Senator from Alaska if he wants to introduce that legislation, I will be very happy to discuss that legislation with him.

But the only piece of legislation in front of us and on which we are having hearings, I believe, is the legislation offered by the Senator from Wisconsin to simply put this appropriation on the budget. It is currently off the budget. That is all we are talking about.

If this is a good program for southeastern Alaska or whoever it is that owns these timber companies or the Pacific rim companies or whatever, and if they can come in and make their case to the Congress that this money ought to be spent every year, fine. If they cannot make that case, then they are unable to make that case.

That happens around here very year in every appropriations cycle, it seems to me. All the Senator from Wisconsin is doing in the legislation which I have co-sponsored is saying let this appropriation compete just like every other one. That is what we are talking about.

Senator MURKOWSKI. I would ask either one of you if you have any idea what the damages would be to the Federal Government? Have you ever given that any consideration?

Senator PROXMIRE. What damages?

Senator MURKOWSKI. Well, you are cancelling a contract. You are cancelling two Federal contracts, are you not?

Senator PROXMIRE. Well, no. As I say, there is a dispute. A party to the contract, a prime party, a major party, was certainly Congressman Udall.

Senator MURKOWSKI. Gentlemen, I think if you check with any lawyer, you will find that he would indeed love to have the case. He will probably take it on a contingency.

Senator PROXMIRE. The Chairman of the subcommittee is 100 percent correct. What we are simply trying to do is to put this on budget.

Senator MURKOWSKI. Gentlemen, you have to reflect on how we got there. We got there as a consequence of this legislation being introduced which would basically take it out of entitlement and put it on budget, but the way it got in there originally, and I take deference with my friend from Colorado, is that there was value given for the 1.3 million acres put into wilderness. Now, that is a harsh reality.

Now, if we are going to renege on this deal, then let us talk about the merits of taking that 1.3 acres out of wilderness and putting it in the commercial timber where it once was and letting them bid on it. We will see every Sierra Club come out of the tree on it.

Senator PROXMIRE. I would resist strongly taking it out of wilderness, but I think the Senator is 100 percent correct. We ought to consider that. I see no objection to that. Fine. Let us take it up and consider it at the same time.

Senator **Wirth**. And vote on it.

Senator **Proxmire**. Because it is not going to happen.

Senator **Wirth**. Senator Proxmire, my guess is that you probably have had as much discussion of Tongass this afternoon as perhaps you would like to have.

We are indebted to you for being here and being so patient with the timing of the committee. We really appreciate your coming. Thank you very much.

Senator **Proxmire**. Thank you.

Senator **Murkowski**. Thank you, Senator. My only parting shot is that if you have any ideas of what to do with 50 percent of our timberlands, if you could put those in wilderness it would be ideal, but you cannot do it because it is all a stand of timber just like a stand of wheat.

Senator **Proxmire**. Very good. Thank you, sir.

Senator **Murkowski**. Senator, let me just tell you. After the Senate passage of ANILCA, Congressman Udall recognized the intent of section 705(a), and I quote.

> The guaranteed funding provided by section 705 is to implement the timber management program of the Tongass Land Management Plan as it was adopted in April of 1979 in order to provide the 450 million board feet annual average mentioned in subsection (a).
>
> This section is an affirmation of the current Tongass Land Management Plan and provides direction to the Secretary of the Treasury. The added investment funds were to be spent primarily on the preroading of areas of marginal timber scheduled for timber harvest, for commercial things, and for the application of advanced logging techniques. Those were all measures necessary to maintain timber industry employment at historic levels.

Senator **Proxmire**. May I say, Senator Murkowski, that the answer to that, of course, is the fact that Congressman Udall is the sponsor of the Mrazek bill.

Senator **Wirth**. Thank you, Senator Proxmire.

Senator **Murkowski**. A deal is a deal or it is not a deal, I guess.

Senator **Wirth**. Our next witness is Mr. Dale Robertson, the Chief of the Forest Service, United States Department of Agriculture, Washington, D.C.

I understand, Mr. Robertson, that you are accompanied by Mr. Mike Barton, the Regional Forester in Region 10 in Alaska.

Mr. **Robertson**. Yes, that is correct, Mr. Chairman.

Senator **Wirth**. Without objection, your full statement and whatever additional materials you wish will be included in the record. We appreciate your being here. Thank you very much. I would hope that you might summarize your testimony in whatever way you feel would be most helpful.

STATEMENT OF F. DALE ROBERTSON, CHIEF, FOREST SERVICE, DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY MIKE BARTON, REGIONAL FORESTER FOR ALASKA

Mr. **Robertson**. Thank you, Mr. Chairman. I do have a rather lengthy statement so, as you suggest, I would like to just highlight a few points.

Senator **Wirth**. We are all for that, Mr. Robertson.

Mr. **Robertson**. To start with, as has been stated before by the two Senators from Alaska, the history of southeast Alaska and the Tongass is important.

I have been to Alaska. I went up there in August. More than any other state I have been in, the economy of southeast Alaska and the livelihood of the people of southeast Alaska are more dependent on their natural resource bases for their economy and livelihood. That is the fish, the wildlife, the outdoor recreation, the timber and the mining.

The Forest Service and the Congress have worked together over the past four years to try to build a strong stable economy in southeast Alaska. I think we have been trying to do that in a balanced way and without sacrificing some very important environmental values that Alaska is so well known for. In my opinion, we have been fairly successful in accomplishing that objective.

The Congress passed the Tongass Timber Sale Act in 1947 which led to the Forest Service awarding two large 50-year timber sale contracts, that have already been talked about, in the 1950s. In each of those contracts, we required the contractor or the purchaser to make a large up-front investment in the construction of a pulp mill. We further required primary manufacturing of all the timber in Alaska.

Then in 1979 we prepared the Tongass Land Management Plan, the first plan under the National Forest Management Act. We worked very closely with the Congress. Congress relied a great deal on the facts, the figures and the alternatives developed in that forest plan in shaping and passing ANILCA.

In that Alaska Lands Bill, Congress designated over 5.4 million acres of wilderness, covering about one-third of the total area of the Tongass National Forest. Again, in reviewing the history of that piece of legislation, the stated intent of Congress was to have a strong wilderness bill without the loss of jobs and to maintain community stability in southeast Alaska.

To carry out this commitment, Congress provided special funding outside the normal appropriation process to maintain the timber supply at or near the historical level of 4.5 billion board feet per decade.

Now, the effect of ANILCA wilderness designation was to remove about 29 percent of the commercial forestland from the available timber base. In order to make up for that loss, it required that about 24 percent of this 4.5 billion board feet was to come from marginal timber stands that otherwise would not have been managed primarily for timber production.

I would like to point out that section 705 in no way exempts the Tongass Timber Management Program from appropriate environmental standards and requirements. All timber operations on the Tongass are subject to the same environmental requirements and standards as all other national forests.

I believe the Forest Service is doing a quality land management job in Alaska. I do not believe there is any detrimental effect on fish and wildlife and other resources because we are managing the timber on the Tongass.

Now that is, in part, the reason that programs are so expensive in Alaska, to meet all of these environmental quality standards and to make sure we are not having a detrimental effect on the other resource values in Alaska.

In terms of cash flow, I do not think it is any secret that the Forest Service has not denied that the Tongass timber program is losing money. However, direct monetary return to the U.S. Treasury, as important as that is, was not and is not the primary purpose of the timber program on the Tongass.

The primary purpose was to help stabilize the economy of southeast Alaska through employment provided by harvesting and processing timber.

Now, we have thrown around a lot of figures today, and I would like to talk just briefly about the Forest Service timber sale accounting system. Over the past year and a half, we have worked with the General Accounting Office to develop a timber sale accounting system that follows generally accepted accounting principles which GAO approves. Because of this controversy surrounding the Tongass National Forest, the Forest Service, with the help of GAO, applied the new timber sale accounting system to the Tongass timber program for Fiscal Year 1986.

The results show that the timber program had a net loss of about $12.5 million in Fiscal Year 1986; however, the Fiscal Year 1986 timber program supported over 1,400 jobs in the timber industry and contributed nearly $62 million in wages to Alaska. Federal taxes on these wages is estimated to be about $8.7 million. In addition, about $434,000 was paid to the state to support the school and road programs.

The total economic activities generated by the timber sale program in Fiscal Year 1986 to the local economy and communities was about $275 million.

As has been mentioned earlier, the Federal Government has contractual obligations on two long-term timber sale contracts. Two-thirds of the timber program on the Tongass is required to meet the contractual obligations of these two long-term contracts. The remaining one-third of the timber sale program is aimed at supporting saw mills at Wrangell, Klawock, Petersburg and Haines that are dependent upon short-term sawtimber sales.

The changes proposed by S. 708 would adversely affect the viability of the short-term timber sale program and would make it more difficult for us to meet our contractual obligations on the two long-term sales.

In conclusion, Mr. Chairman, ANILCA section 703 designated wilderness, and section 705 established a timber management program. Both relied heavily on information developed from the 1979 Tongass Land Management Plan. Congress chose to designate 5.4 million acres as wilderness and provided a means to help maintain timber industry employment in southeast Alaska. The Forest Service is doing the best we know how to carry out the spirit and intent of Congress and fulfill our land stewardship responsibilities.

Now, that is not to say that over time we should not reassess the Tongass situation and see if adjustments are needed. We have an eight year old Tongass Land Management Plan which was prepared in 1979, and the Forest Service is already in the process of revising it with a target date of late 1989 for completion of a draft plan.

We have already done much of the resource inventory work, and many studies are under way, including a new timber demand study for southeast Alaska timber. The administration's position on S. 708 is that any change in the present statutory direction for the management of the Tongass National Forest should be based on the new studies and information being developed as part of the land management planning process.

We do not have a pressing or crisis situation that has to be dealt with immediately. The Tongass National Forest is being well managed while this planning effort is going on. It is not having detrimental effects on fish, stream, wildlife or other resources in Alaska; therefore, we believe it is premature to make changes as envisioned by S. 708 at this time without the benefit of the revised land management plan and the associated public involvement that goes with it.

That concludes my statement, Mr. Chairman, and I would be happy to answer questions.

[The prepared statement of Mr. Robertson follows:]

STATEMENT OF
F. DALE ROBERTSON, CHIEF
FOREST SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

Before the
Subcommittee on Public Lands, National Parks and Forests
Committee on Energy and Natural Resources
United States Senate

Concerning the Tongass Timber Reform Act (S. 708)

November 3, 1987

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I appreciate the opportunity to present the Administration's views on the Tongass Timber Reform Act (S. 708). With me today is Mike Barton, Regional Forester for Alaska.

Mr. Chairman, there is a perception among some people that the timber stands of the Tongass National Forest are fragile ecosystems on the boundary of tree growth. That perception is wrong. The commercial timberlands on the Tongass are among the more productive in the world, significantly more productive than the timberlands of Europe which have been managed for timber production for centuries. The warm waters of the Japanese Current provide the lower elevation lands with plentiful moisture and long growing seasons. Natural regeneration following harvest is abundant and fast-growing. The forest lands are favorably located with ready access to water transportation and thus world markets. Tongass timber is particularly well-placed to be competitive in the fast-growing Pacific Rim market. By most any measure, the long-term outlook for future demand for Southeast Alaska timber is favorable.

I would like to start with a brief history of the management of the Tongass National Forest since its inception in 1907. I will highlight a few factors that influenced our management and have a bearing on the current situation. Of particular importance are people's livelihoods, lifestyles, and how they depend on timber and other natural resources of Southeast Alaska.

In the first half of the twentieth century, gold mining and salmon fishing provided the base for Southeast Alaska's economy. After World War I, local citizens, the Territorial government, and the Federal government began exploring ways to maintain a stable population and economy through year-round employment. Fishing was largely seasonal and, like mining, peaked during the early 1940's and then began a steady decline until the 1970's. The vast publicly-owned forest, combined with the natural "highway" of the Inside Passage, focused attention on development of the timber industry.

The idea of using Tongass National Forest timber to create employment led to the 1928 Secretary of Agriculture Regulation requiring primary manufacturing in Alaska of timber sold from the Tongass National Forest. That policy is still in effect today. The desire to encourage development of the timber industry was later addressed in the Tongass Timber Sale Act of 1947. In the 1950's, the Forest Service awarded two large 50-year sales. Each contract required a large upfront investment in the construction of a pulp mill.

The pulp mills remain an essential component of the timber industry. Significant portions of Southeast Alaska timber is not suitable for dimension lumber. Pulp mills use the wood that would otherwise be left on the ground.

The Tongass Land Management Plan was completed in 1979--the first plan completed after passage of the National Forest Management Act. Relying in part upon facts, figures, and alternatives developed for the Forest Plan, Congress passed the Alaska National Interest Lands Conservation Act (ANILCA) in 1980. In ANILCA, Congress designated over 5.4 million acres as wilderness, covering about one-third of the total Forest area. In doing this, the intent of Congress was to have a strong wilderness bill without the loss of jobs and to maintain community stability in Southeast Alaska. To carry out this commitment, Congress provided funding outside the normal appropriation process to maintain a timber supply level at a rate of 4.5 billion board feet per decade.

During ANILCA discussions, Congress recognized that management of the Tongass was very complex and subject to changing conditions. Congress found the current Tongass Land Management Plan (TLMP) to be satisfactory. We believe that Congress intended that TLMP remain unchanged through the first planning period (approximately 10-15 years) to allow time for the market and demand situation to become clearer before the Forest Service began to revise the plan. Congress also established a funding mechanism, outside the annual appropriation process, to assure that the provisions of Section 705 of ANILCA could be met.

Congress and the Forest Plan addressed both preservation of specific areas through wilderness designation and the need to provide a timber supply to maintain employment and community stability in Southeast Alaska.

The effect of ANILCA wilderness designation was to remove about 29 percent of the commercial forest lands from the available timber base, and in order to make up for that loss, to require about 25 percent of the timber supply to come from lower-value timber stands that otherwise would not have been managed primarily for timber production. About one-third of the annual funding provided in Section 705(a) was intended for additional investments in roads, pre-commercial thinning, and advanced logging technology to make lower-value, marginal timber stands economically viable. This was the necessary price that had to be paid for wilderness in order to maintain timber supply at the 1979-80 level of about 450 million board feet. Additional investments in roads, thinning, and advanced logging technology were to make the 1.1 billion board feet per decade of timber coming from the lower-value marginal stands equal in value, on an individual board foot basis, to the 3.4 billion board feet coming from more-valuable stands still available outside the wildernesses and to permit maintenance of the 4.5 billion board foot harvest on a sustained-yield basis.

Section 705 of ANILCA applies to timber management on the Tongass National Forest not withstanding the requirements of section 6 of NFMA. This section deals with the identification of lands not suitable for timber production.

We have applied section 705 in determining the economic viability of managing the Tongass for timber production. However, section 705 in no way exempts the Tongass timber management program from appropriate environmental requirements. All timber operations on the Tongass are subject to the same environmental requirements and standards as the other National Forests. I believe we are doing a quality land management job on the Tongass National Forest and that is, in part, the reason for the high cost of timber sales in Alaska which contributes to our negative cash flow.

Allegations that the harvest of timber is destroying fisheries and wildlife habitat are not consistent with the facts. Streams and water quality are protected and commercial salmon harvests have been increasing and are at all-time record levels in recent years. Harvest levels for game have also increased substantially since 1980.

In order to maintain a wood-products industry, there must be a dependable, sustained supply of timber provided in the most cost-effective manner possible, while considering the needs of other resources. Without the section 705 waiver of NFMA section 6(k), and without the additional added investments included in the ANILCA section 705(a) funding, the Tongass timber program would not support the long-term level of timber harvest anticipated to be necessary to maintain employment levels and community stability.

I would like to further discuss the timber harvest levels on the Tongass. Congress determined that 4.5 billion board feet of timber per decade would be made available from the Tongass to support the existing timber industry.

In 1980, as ANILCA passed, approximately 452 million board feet (mmbf) of timber, including utility volume, were harvested annually from the Tongass. Beginning in 1981, the harvest level began to drop from 386 mmbf to 250 mmbf in 1984, a 30-year low. Then in 1985, it began to increase, rising from 265 mmbf to 272 mmbf in 1986. We expect the figure for 1987 to be over 300 mmbf with some increase throughout the remainder of this decade. This illustrates that the forest products market fluctuates quite dramatically, particularly in Southeast Alaska. I believe that it is inappropriate for us to look at this most recent market fluctuation and conclude that the harvest level established by Congress was incorrect.

Since 1980, when ANILCA passed, harvest levels on the Tongass National Forest have dropped from around 450 million board feet to a range of 250-275 million board feet. However, the total harvest level in Southeast Alaska has remained relatively stable with the difference being madeup by Alaska Native corporations. At the time ANILCA was passed, it was understood that the Native Corporations' contribution to the timber market would be between 150 and

225 mmbf per year on a sustained yield basis. For a variety of reasons, recent Native contributions have been exceeding 250 mmbf annually. However, their current harvest rate cannot be maintained over the long term. Decisions about the level of havest on Native lands are made yearly by each of the boards of directors of the several corporations in Southeast Alaska. As the Native Corporation harvest drops over time, there will undoubtedly be a corresponding increase in demand for timber from the Tongass National Forest.

Wood products from timber harvested on the Tongass occupy an important position in the Pacific Rim market and contribute to a more favorable balance of trade. Clear Sitka spruce and Alaska yellow cedar are sold to musical instrument and speciality building industries in Japan and other countries. Mills in Sitka and Ketchikan produce a significant portion of the world's dissolving pulp used to make rayon and other products sold around the world. The Tongass National Forest will continue to play an important role in the production of forest products for world markets. Although the product mix and end users may change over time, we anticipate that markets will continue to expand.

In terms of cash flow, the Tongass timber program is losing money. However, direct monetary return to the United States Treasury, as important as it is, was not and is not the primary purpose of the timber program on the Tongass. The primary purpose is to help stabilize the economy of Southeast Alaska through employment provided by harvesting and processing timber.

The Forest Service is currently working with the General Accounting Office (GAO) to implement new timber sale accounting processes and is preparing to install a new timber sale program information reporting system. A financial report, prepared at the Forest level, will summarize the annual revenues and expenditures of managing timber resources. Reports summarizing the long-term costs and benefits of the timber program (including non-timber resources) and the socio-economic impacts on local communities are also being prepared.

The preliminary financial analysis indicates that the Tongass National Forest timber harvest program had a net loss of approximately 12.5 million dollars in FY 1986. However, in FY 1986, the timber program on the Tongass supported over 1,400 jobs and contributed nearly 62 million dollars in wages to Alaska. Federal taxes on these wages is estimated to be about 8.7 million dollars. In addition, over 434,000 dollars were paid to the State to support school and road programs. The economic activity from the timber program to local business and communities is expected to exceed about 275 million dollars over the next 5 to 7 years. The present net value of multiple use management on the Tongass accomplished by the timber program in FY 1986 is more than 2.6 million dollars. The GAO study of the Tongass is expected to be completed by the end of this year. When the GAO report for the entire Forest is finished, all three accounting reports -- financial, economic, and socio-economic -- will be available.

I would like to point out that the Federal government has contractual obligations on two long-term timber-sale contracts. Two-thirds of the timber sale program on the Tongass is required to meet the contractural obligations of these two long-term contracts. The remaining one-third of the timber sale program is aimed at supporting sawmills at Wrangell, Klawock, Petersburg, and Haines that are dependent upon short-term sawtimber sales. The changes proposed by S. 708 could adversely affect the viability of the short-term timber sales program and would make it more difficult for us to meet our contractual obligations on the two long-term sales.

Using National Forest Management Act planning procedures, we have begun a revision of the 1979 Tongass Land Management Plan. We anticipate that a draft revised Forest Plan will be available late in 1989 which will evaluate alternative ways to manage the Tongass. As with the first Tongass Land Management Plan, the public will be actively involved. Over 4,000 individuals, groups, media, elected officials and Federal/State/local agencies have received notice of the revision of the Plan and a request for helping identify the issues, concerns and opportunities that will direct the revision effort. New resource inventories for timber, soils, streams, wildlife, and fisheries have been or are being completed for use in the Forest Plan revision. New research results will also be incorporated.

As part of the Plan revision, studies relating to recreation, timber, fish, and wildlife will be conducted which will enable us to better assess the future management of Tongass National Forest. For example, a new study of demands for Southeast Alaska's timber is being negotiated with a number of scientists in several universities including the Alaska Center for International Business of the University of Alaska. A study on subsistence in Southeast Alaska is underway. The Institute for Economic and Social Research of the University of Alaska and the Alaska Department of Fish and Game and the Forest Service is cooperating in that study.

The Department of Agriculture believes that any change in the present statutory direction for the management of the Tongass is premature and that changes can best be addressed after the data and special studies now being undertaken are completed.

Section 5 of the Tongass Timber Reform Act would require that the biennial report on the Status of the Tongass National Forest (ANILCA, sec. 70b(b)) include the impact of timber management on subsistence resources, wildlife, and fisheries habitat. The existing language of section 706(b) of ANILCA states that the report is not limited to the subjects listed in the section. The

Forest Service greatly increased the scope of the initial report in 1985 beyond the four items listed in section 706(b) to include discussions of community stability, timber economics, and subsistence. Legislation is not necessary to include additional items in subsequent reports, however, we believe the more appropriate forum for a detailed evaluation of these impacts is through the Forest Plan. In fact, they will be adressed in the Tongass Land Management Plan revision.

The Tongass Land Management Plan was also a principle source of the information used by Congress in formulating decisions related to the Tongass in ANILCA. The Plan's recommendations on Wilderness designation, with minor exceptions, became the more than 5.4 million acres of Tongass Wilderness designated in ANILCA. The timber supply level of 4.5 billion board feet per decade and the funding provisions of ANILCA Section 705 were also derived directly from concepts recommended in the Plan. The importance of the Tongass Land Management Plan, however, was not that its recommendations were so closely followed in the ANILCA legislation, but rather, that it provided the Congress a professionally developed information base and professional analysis within which land allocation decisions could be made. There may be no more important role that the professional resource agency can play than this.

The situation today with respect to the Tongass is similar to the situation existing in 1978 and 1979 as the Forest Plan and ANILCA were being developed. Then as now, allocation of the resources of the Tongass National Forest was a national issue. Then, as now, proponents of all sides of the issues were bombarding the Congress and the press with conflicting and often unreconcilable "facts" in support of their various positions. Also, then as now, the Forest Service was in the early stages of developing a forest plan--the original Plan in 1977-78 and a revision of that original Plan today. Finally, then as now, major legislation related to the Tongass was under consideration in the Congress.

During the long and sometimes acrimonious debates of 1978 and 1979, the information base and professional analysis from the emerging Tongass Land Management Plan provided the framework within which the Committee was able to craft compromises with some degree of certainty as to the relative environmental, social and economic consequences of various policy options. With the revision of the Plan currently underway, the Congress, once again, has the opportunity to avail itself of the vast amount of information and analysis which will be forthcoming through that process - information and analysis which, while not likely to eliminate all disagreement, will at least reduce some of the uncertainty associated with selecting an option without benefit of such analysis.

In conclusion, ANILCA Section 703 designated wilderness and Section 705 established a timber management program. Both relied heavily on information developed for the 1979 Tongass Land Management Plan. Congress chose to designate 5.4 million acres as wilderness and provide a means to maintain timber industry employment in Southeast Alaska. We are doing our best to carry out the spirit and intent of Congress and fulfill our land stewardship responsibilities. We believe that a major change in management direction by Congress is not appropriate at this time. We believe it would be best to wait for information developed through the Forest Plan revision process. The revision will provide the public and Congress with updated, comprehensive information and analysis of resources, markets, and the perspective of different publics.

Mr. Barton and I will be happy to answer your questions or provide any additional information you may desire.

Senator WIRTH. Senator Bumpers.

Senator BUMPERS. I apologize, Mr. Chairman, that I was late in getting back for the Chief's testimony. I have a number of questions that I will submit in writing.

Let me ask you this, Chief. Why is the provision in S. 708 which would repeal section 705(d) which exempts the Tongass from identifying nonharvesting timber from land unsuitable for timber harvesting not appropriate? Do you have any objection to that?

Mr. ROBERTSON. Well, we meet the intent of section 6(k) by looking at the suitability of timber lands for the production of timber, but then we back up and look at what we have to do on these marginal lands in order to meet this 4.5 billion. So we go through the planning process and the analysis.

Senator BUMPERS. Which one do you do first?

If you are going to say we have to meet the 4.5 billion board feet goal, then it seems to me that that might be a contradiction with the other provision which would require you to set aside lands that were unsuitable for harvesting.

Would you not have a tendency to accept more unsuitable timber if the 4.5 billion board feet harvest level is your first objective?

Mr. ROBERTSON. What we do, Senator Bumpers, is go through the suitability analysis first to see what land is suitable and what land is not suitable. We are talking about an economic suitability.

Then, after we do that, we then look at the 4.5 billion—or whatever the alternatives are that we will be looking at in the new plan—to see how much of the marginal unsuitable land would have to be put into production for timber purchasers in order to meet the target output.

Incidentally, an economic test is only good for that time frame because lumber and pulp markets change.

When ANILCA was passed in 1980, it was estimated that about 112 million board feet a year out of the 450 was in this marginal, uneconomical category.

Senator BUMPERS. Under ANILCA, it says that if the Secretary of Agriculture finds the available land base in Tongass as to be inadequate to maintain the 4.5 billion board feet every 10 years, he will report that fact in his annual timber supply and demand report to Congress.

So far, you have not done that, have you? You have not found it necessary to tell Congress that you could not meet the 4.5 billion board feet?

Mr. ROBERTSON. We submitted a report at the end of five years, which was one or two years ago, and we said that with continuing to harvest timber on some of this marginal land, we could still meet the 4.5 billion board feet per decade.

Senator BUMPERS. Which do you think is more important, harvesting this marginal land and meeting this goal or not meeting the goal and not harvesting marginal timberland?

All Congress is really asking you to do is tell us which one. If you cannot meet the 4.5 billion board feet harvest level, Congress is not going to try to handcuff you or throw you in jail. They just want a report from you.

Mr. ROBERTSON. We will tell you when we go through the revision of the land management plan how much timber we can produce on an economic basis, and we will tell you how much timber we can produce from marginal lands which on other national forests would be categorized as uneconomical.

Senator **Bumpers**. How many total acres of commercially harvestable timber is there in the Tongass, excluding wilderness?

Mr. **Robertson**. There are 5.7 million acres of commercial forest land outside of wilderness.

Senator **Bumpers**. 5.4 million? That is the number of wilderness. Is that just a coincidence?

Mr. **Robertson**. No, there are 5.7 million acres of commercial forest land in total on the Tongass National Forest. Of that, about 2 million acres are in the timber base.

Senator **Bumpers**. How many acres are you harvesting a year? How many acres have you harvested on an annual basis for the last five years?

Mr. **Robertson**. I will ask Mr. Barton to respond to that.

Mr. **Barton**. The Tongass Land Management Plan would schedule 17,500 acres. I will have to look up the actual harvest, but it is considerably less than that.

Senator **Bumpers**. So you are talking about roughly 150,000 to 170,000 every 10 years?

Mr. **Barton**. Yes, sir.

Senator **Bumpers**. It is my understanding they have already harvested 23,000 acres up there this year. Is that not true?

Mr. **Barton**. I do not believe that is true, sir.

Senator **Bumpers**. I wish you would get that. You do not even have to furnish that for the record. Just tell me precisely how many acres have been harvested up there.

Mr. **Robertson**. We will do that.

Senator **Bumpers**. Do you agree or disagree with this statement?

> Methods to mitigate habitat losses to wildlife species that utilize old growth have not been demonstrated, and the nonrenewability of old growth under a 100-year harvest rotation is usually not addressed as a management issue during project level planning. Many protective measures built into the TLMP have not been widely applied on the Tongass, and the TLMP harvest schedule in itself will result in substantial habitat degradation to many wildlife species.

Do you agree or disagree with that?

Mr. **Robertson**. It is a matter of degree, but basically I disagree.

Senator **Bumpers**. That is a recent report from the Alaska Department of Fish and Game. Do you think they are inaccurate?

Mr. **Robertson**. As I say, it is a matter of degree.

If you are talking about Sitka black tail deer, our Tongass Land Management Plan shows that about 70 percent of the existing old growth habitat that this species depends upon is not planned for timber harvest, so we are only practicing timber management and harvesting on about 30 percent of the suitable habitat.

When we go in and harvest timber, we are going to affect habitat of the deer, some positive and some negative. But we are dealing with just 30 percent of the habitat, so it is a matter of degree. It is not a matter of absolutes.

Senator **Bumpers**. Who owns those mills? I know Louisiana Pacific owns one of the mills up there. Who owns the other one?

Mr. **Robertson**. It is Alaska Pulp Corporation, and that is a Japanese firm, the pulp mill at Sitka.

Senator BUMPERS. How about the mill at Wrangell? The Japanese built it, but I do not know who owns it now.

Mr. BARTON. I believe there is a lease-purchase agreement now with an individual named Steve Seeley.

Senator BUMPERS. Is that the guy we met up there, Frank?

Senator MURKOWSKI. That is the gentleman you me.

That mill was originally built by a gentleman by the name of C. Gerard Davis from Portland, Oregon. It has been through a lot of owners, and the Japanese have put a lot of money in it.

But that is the gentleman you met at Wrangell.

Senator BUMPERS. Can you tell me where most of the timber from the sawmills is going?

Mr. BARTON. Most of the sawn products are on the export market, and a lot of that is to Japan. About half the pulp is going to Japan.

Senator BUMPERS. Half the pulp is going to Japan?

Mr. BARTON. Yes.

Senator BUMPERS. What percent of the saw logs?

Mr. BARTON. The sawn products, almost all of it, and I think most of the round logs that are coming off the Native harvest are going to Japan as well. Some is going to Korea, and some is going to Japan.

Senator BUMPERS. Mr. Chairman, let me pass for the time being. I may have a couple more questions, and I certainly have some to submit for the record.

Senator WIRTH. Senator Murkowski.

Senator MURKOWSKI. Thank you.

If I can respond to the Senator from Arkansas for a moment briefly, the question of habitat has been one that has been long debated. If the Senator will look at the map there, you can readily see that the brown areas basically represent wilderness along the southeastern Alaska island mass. Glacier Bay is a little more brown. So you see a significant area that is already perpetually closed, and some of those areas obviously were commercial harvest areas.

The point I want to make is that the series of islands, as the Senator knows, having flown almost all day in a Beaver through it, and the fringe of timber, the old growth timber is usually left near the beaches so it can lead to habitat for the deer.

However, having grown up in that country, having lived in Wrangell and Ketchikan and Juneau in my youth, I have observed on Warinofsky and Zarimbo and Edelton Island what happens when the wolves move in. The wolves, very frankly, over a period of time will completely annihilate the entire deer population. Then the wolves move off and the process starts again.

Logging has also helped in the Brows by providing opening areas where they previously did not exist. So you might say you can have the best of both worlds if you leave the old growth habitat along the water area. Then it provides where it has been timbered for the new growth to come in and the feed and the light to come in.

Of course, the value of the second growth timber is something that we have not really addressed here, but the record would note that areas that were logged during the second world war are now sustaining a second growth timber that is far superior to the virgin timber that is there at this time.

I have a few questions, and I will try to be very brief.

For the record, Congressman Mrazek has suggested that the Japanese can walk away from the pulp mill in Sitka and leave the people there without jobs.

Can you explain how the long-term contracts would prevent this from happening?

Mr. Robertson. Alaska Pulp Corporation has a contract with us. I believe, that it goes until the year 2011.

Senator Murkowski. Do you have a way of holding them to that contract?

Mr. Robertson. A contract works both ways. We entered into that contract in good faith, and it is our intent to carry out our obligations under that contract. We would expect the Alaska Pulp Corporation to do likewise.

Senator Murkowski. What would your evaluation be if this Congress broke that contract by not making at least $40 million available for you to put up sales to meet their harvesting requirement?

Mr. Robertson. It is a going business, and so we would be liable for damages.

Senator Murkowski. Do you have any idea what the damages might be?

Mr. Robertson. No, I do not.

Senator Murkowski. Noboby in the Forest Service has put a pencil to it and even come up with a roundabout figure?

We are talking about the cost of alleged subsidy as a consequence of down markets, and we are looking at better markets which hopefully will generate a return, but we do not know what half the contracts that have been performed are about, and we do not know the liability of the Federal Government.

Mr. Robertson. Well, I am sure we would end up buying a pulp mill. I do not know what the value of the pulp mill is. Then the added dimension is the loss of business and what that means to the company.

Senator Murkowski. What about the jobs in the communities? Does Congress have an obligation? In the redwoods, Congress spent $1 billion. We know that for the record.

Is that right? The Forest Service was involved in that?

Mr. Robertson. Yes. That was primarily the National Park Service, but that was a sizable price tag.

Senator Murkowski. So it was the price of wilderness, then.

Mr. Robertson. Well, that was a redwood national park, not the wilderness.

In the redwood country, there was about $2.9 million paid for displaced business relocation loans. There was $6.9 million to the local community for public work grants. There was another $7.5 million for community assistance to compensate for the reduction in the employment, and there was a displaced employee disbursement of over $70 million as of 1973.

Senator Murkowski. Well, we will assume that there is some liability potentially.

Mr. Robertson. Congress decided that we had some liabilities there.

Senator MURKOWSKI. Congressman Regula suggests that Tongass funds have been used to support luxurious Forest Service buildings. Would you care to comment on that?

Mr. ROBERTSON. I have been up there, and I have looked at those buildings. They are decent houses and offices and bunkhouses. I would not say they are luxurious. Most of them are either duplexes or fourplexes.

Senator MURKOWSKI. What about the road to nowhere that has been referred to in testimony given?

Congressman Regula suggested there was a road to nowhere out of Yakutat, a bridge to nowhere out of somewhere.

Mr. ROBERTSON. The Regional Forester will comment on the road to nowhere.

Senator MURKOWSKI. I have not been able to find it, but go ahead.

Mr. BARTON. There have been a number of roads to nowhere alluded to. At this point in time, there is only one road that has been constructed that does not have a timber sale on it. The particular road that Congressman Regula referred to, the timber sale was sold.

Senator MURKOWSKI. The timber sale was sold?

Mr. BARTON. Yes, sir.

Senator MURKOWSKI. So the road goes to somewhere?

Mr. BARTON. The road services that timber sale and provides transportation to get the logs to the mills.

Senator MURKOWSKI. Why have you not been able to convince the Congressman's staff of the legitimacy of this testimony if, indeed, the roads go somewhere?

Mr. ROBERTSON. We did do quite a bit of preroading earlier on the projection that we would sell timber along those roads. We put up some timber sales that did not sell. They have since sold, and we have also changed our policy. We do not build the roads now until we sell the sale so that we do not get caught in misjudging the market.

Senator MURKOWSKI. What is the overall status of fish and game in the Tongass? The state manages the fish and game.

Have the fish populations increased? We saw a poor run of pinks in southeastern last year.

Are the deer limits increasing? I am told that Kuyu Island is still overrun with wolves. What is your prognostication? Are the bag limits decreasing or increasing?

Mr. ROBERTSON. In 1985 and 1986 there were record harvests of salmon in Alaska.

Senator MURKOWSKI. In southeastern Alaska?

Mr. ROBERTSON. In southeastern Alaska, but in 1987 it fell down quite a bit.

Senator MURKOWSKI. I would blame the Taiwanese, Japanese, and Koreans on that.

Mr. ROBERTSON. There are a lot of thoughts about what may have caused that.

Then there has been a significant increase in the deer kill over the last few years. In 1980, there were 4,800 deer killed in southeastern Alaska. In 1986, it was 15,000, which is about a threefold increase.

Senator Murkowski. Have the limits increased or are more people hungry for deer?

Mr. Robertson. I think the limits have increased.

Senator Murkowski. I feel it would be appropriate that we have that for the record.

Mr. Barton, do you have that information?

Mr. Barton. We will provide that.

[The information referred to follows:]

Deer harvest in Southeast Alaska increased from 4,800 in 1980 to an estimated 15,000 in 1986. Almost all deer harvested in Southeast Alaska are taken from the Tongass National Forest. In 1986, the bag limit varied from one to four deer, with a season running from four to six months. In 1987 the Board of Game approved an increase in harvest of deer in a portion of northern Southeast Alaska to 6 animals and extended the season.

SOUTHEAST ALASKA DEER HUNTING SEASONS AND BAG LIMITS

(July 1, 1986 to June 30, 1988)

State game unit	Forest/area	Season	Bag Limit (No. of deer)
1(c)	Chatman	8/1-12/31	4
4		8/1-1/7	6
		[1] 8/1-1/31	6
1(b), 3	Stikine	8/1-11/30	1-2
1(a), 2	Ketchikan	8/1-11/30	3

[1] Subsistence

The increase in deer harvest is the result of an increase in the number of hunters; improved hunter access; steadily increasing numbers of deer due to mild winters and an abundance of food; and, improved harvest information from Alaska Department of Fish and Game deer hunter surveys.

Senator Murkowski. What was the timber harvest for the past fiscal year? Was it increased from past years?

Mr. Robertson. In 1987, the harvest was 281 million board feet. In 1986, it was 221 million. So there was an increase of 30 million board feet, which is about 10 percent.

Senator Murkowski. Do you have any sales that somebody has not contracted for or that are not tied up in litigation? In other words, do you have a list of sales that are uncommitted?

Mr. Robertson. We have some timber sales ready to go on the market, yes.

Senator Murkowski. Ready to go on the market, but you do not have any that have been on the market that have not been bid or have not been litigated? In other words, you do not have a backlog on the shelf that you can tell Mr. Seeley here is four or five that we have not been able to sell, you can bid on them?

Mr. Barton. We have very few of those. As these sales come up, sometimes they are bid and sometimes they are not. When they are not bid, we reoffer them, but we have been working at that this past year. The markets have been up, and we have been able to sell our offered sales.

Senator Murkowski. Tell us a little bit about the market. You say when the market improves, there is more demand for the timber?

Mr. **Barton**. There is more demand for the timber, and the timber purchasers are, of course, eager to get more wood for their operations. The end product selling values are up about $70.

Senator **Murkowski**. You say the end product is up about $70 dollars?

Mr. **Barton**. Yes.

Senator **Murkowski**. For the record, that means what to the Federal Government?

Mr. **Barton**. That will increase the stumpage returns as the operators bid on the timber sales. The $70 figure comes from an index sale which we use to track these things. Our bid premiums have gone up in the independent program.

Senator **Murkowski**. Seventy dollars today, is that a fair statement, or thereabouts?

Mr. **Barton**. Yes.

Senator **Murkowski**. As compared to what last year and as compared to the year before? There are receipts back to the Federal Government, I believe.

Mr. **Robertson**. The average bid on our short-term sale in 1986 was $8.03. Our average bid in Fiscal Year 1987 was $31.50.

Senator **Murkowski**. So your average has gone in one year return to the Federal Government from $8.03 to $31?

Mr. **Robertson**. For the independent timber sale program, yes.

Senator **Murkowski**. For the independent timber sale program. What has it done on the two pulp mill allotments?

Mr. **Robertson**. First, the market stays, and once we go through the rate redetermination process, then their price would be adjusted accordingly.

Senator **Bumpers**. Senator Murkowski, if you would just yield at that point, I do not understand this.

Now, the prices on short-term sales are $8.31.

Mr. **Robertson**. Yes.

Senator **Bumpers**. Now, on these long-term contracts, they are not at a fixed price, are they?

Mr. **Robertson**. We reappraise the timber every five years, and so we set the price for the next five years.

Senator **Bumpers**. You set a price for five years which is set in stone no matter what the market price goes to?

Mr. **Robertson**. No. There is an emergency rate redetermination process. For example, in Fiscal Year 1982 APC was paying $86 per thousand.

Then the bottom dropped out of the market. We went through a rate redetermination process, and the fair market value of it dropped down to practically nothing. So they went from $86 down to $1.48. So they are now paying $1.48 until we get a regularly scheduled rate redetermination.

Now, we have just renegotiated with KPC, for example, recently so that we can call for a rate redetermination if the price escalates. Up till now, it has been a rate redetermination if it just goes down, but that is a key point that we think needs to be incorporated into those contracts.

Senator **Murkowski**. Senator, if I could comment, I have always been critical of the inability of the Forest Service to follow the market. Canadians follow the market very systematically and very timely, and I do not know why we do not seem to be able to do that, because I think it is much better.

Senator BUMPERS. It seems those long-term contracts are a burden to us in the way you are handling them.

Senator MURKOWSKI. They can be or they cannot be because if you do not get emergency rerate when the market is going down, then you better shut her down or you are in trouble.

Mr. ROBERTSON. That is not unlike an independent timber sale. Many of these sales will be five-year timber sales, and the person who bids that is really bidding for those five years.

Senator BUMPERS. I understand that when the short-term purchaser bids today, he has five years to get the timber out. But we are talking about long-term sales today still going at an old predetermined rate, whereas independent sales are going for $31.

Mr. ROBERTSON. Let us go back. In Fiscal Year 1986, the independent timber sales averaged $8, and those timber sales are going to be in effect for five years. Four years from now or five years from now, they will still be paying $8.

Senator BUMPERS. Long-term timber sales at that point were $1.40 you said a moment ago.

Mr. ROBERTSON. APC paid $1.48.

Senator BUMPERS. I think, if Senator Murkowski and I are in agreement, the Forest Service ought to be tracking the market much quicker than they are.

Senator MURKOWSKI. The Canadians can do it. I do not know why we cannot do it.

Mr. ROBERTSON. It is back to the provisions in those old contracts, and that has been a point of negotiation with Ketchikan Pulp Company. We have a new provision incorporated under that contract, and we are still working with APC.

Senator MURKOWSKI. Mr. Chairman, I have just a couple more questions for the record.

Now, you say $86 is what you are looking at now. Do you see an improving market? What is your forecast? Surely, you forecast? If you put out 5-year sales, you must.

Senator BUMPERS. That depends on whether the Canadian treaty goes through or not, does it not, Chief?

Mr. ROBERTSON. That makes a difference.

Well, the market has been increasing in the last year.

Senator MURKOWSKI. The point I am getting at is do you see a return to the Federal Government as a consequence of the allegation of subsidies associated with the Tongass timber fund?

I say that is simply the price of wilderness, but obviously there are several here today who disagree with me, and we look to a return for this investment to the Federal Government. That is what this whole thing is all about.

Mr. ROBERTSON. Well, the timber industry is about the most cyclical industry in the country, and if we get back to the 1982 markets of $70 to $80, we will be close to a break even point.

Senator MURKOWSKI. You are revising the management plan, and you are going to complete the draft by the end of 1989.

Does 1989 have some other significance as well?

Mr. ROBERTSON. It is the end of the 10 years of the 1979 plan. Under the National Forest Management Act, we are to revise those plans every 10 years but not more than 15 years.

So it is a regularly scheduled revision of the Tongass plan.

Senator MURKOWSKI. From the standpoint of legislative oversight, I assume that we would have one heck of a lot more accurate information once we add your 1989 revised plan available to us. If there were any comtemplated action by Congress, it would appear that we should really have the benefit of that plan.

Do you agree or disagree?

Mr. ROBERTSON. I agree. That is how it worked in 1979, and I think it worked out very well. I would hope that the Congress would not get ahead of us on that.

Senator MURKOWSKI. Now, there are those who are saying that the draft Tongass plan will not be useful to Congress since the Forest Service is constraining the range of alternatives to insure they all meet the timber supply required in section 705 of ANILCA.

Is that correct or incorrect?

Mr. ROBERTSON. That is incorrect.

Senator MURKOWSKI. How are you going to handle the requirements of section 705?

Mr. ROBERTSON. We will look at various alternatives in that draft plan or in the forest plan. One plan will be the continuation of the 4.5 billion board feet for the decade.

As Senator Bumpers and I were having a discussion a few minutes ago, we will be looking at other alternatives and really tell you by alternative how much we have to move into that marginal category that would otherwise be classified as unsuitable.

So we need to make some decisions on that plan and recommendations, and if the Congress wants to pick that up and make some changes in the law, that is your privilege and we would work with you on that.

Senator MURKOWSKI. Is it appropriate to suggest that you are telling us that you would suggest that that would be our most useful tool to compile information to make contemplated changes?

Mr. ROBERTSON. Yes. It will be the most comprehensive integrated information that you will have, in looking at the Tongass.

Senator MURKOWSKI. More information than we have now?

Mr. ROBERTSON. Yes.

Senator MURKOWSKI. My last question, and I hate to be repetitive, Mr. Chairman, but, again, if you look at the map you will recognize that I have neglected to included 450,000 acres of Native lands in southeast that are part of the white area where basically there is no prohibition of any kind on the utilization of Native timber as opposed to Forest Service timber which requires primary manufacturing.

In other words, the Natives can export a round log, but someone who bids on Forest Service land has to run it through one primary manufacturing form or another, either a saw mill or it goes to the pulp mill.

Now, Senator Bumpers was talking about land area, and we talked about 16.8 million acres in the Tongass National Forest, of which 9.6 is forested and 5.4 million is already in wilderness. We talked about the remaining commercial area left for harvesting timber as 1.75, and I think you put in 2 million acres or 11 percent of the Tongass as left for commercial harvesting or one-tenth of 1 percent each year over a 100-year cycle.

Now, you gentlemen are professional foresters. You gentlemen have the obligation of good, sound forest practice management.

Now, if you did not have the pulp mills, what would you do with 50 percent of the timber?

Mr. ROBERTSON. Well, as you pointed out, the saw timber and the pulp have to go together, because the forest of Alaska is about 50 percent good for pulp and 50 percent suitable for saw logs. If you did not have the pulp mill, you would end up just going in there and highgrading the forest and taking out the good trees. You would end up with a stand of timber of poor trees without the ability to reforest the area.

Senator MURKOWSKI. Can you log selectively like that in southeastern Alaska under the markets that we have had in the last 4 or 5 years?

Mr. BARTON. No, I do not believe you can.

Senator MURKOWSKI. So you are telling me that without the pulp mills, you would not have an industry of any kind in years when the market is low?

Mr. BARTON. There has to be a market for the low quality wood.

Senator MURKOWSKI. You know of no other market conceivably available?

Mr. BARTON. Well, it would be possible, to start a new type of industry up there.

Senator MURKOWSKI. Like what?

Mr. BARTON. Wafer board or cement board or that sort of thing, but it is a pulp or chip process.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Senator WIRTH. Thank you very much, Senator Murkowski.

Are there any other national forests that receive an automatic entitlement or do not receive appropriated funding?

Mr. ROBERTSON. No. Tongass is unique.

Senator WIRTH. If you, as head of the Forest Service, were setting a list of priorities and had $40 million to spend in a discretionary fashion, would your No. 1 priority be the expenditure of that money on the Tongass?

Mr. ROBERTSON. Meeting existing contractual obligations, in my opinion, has to be a very high priority.

Senator WIRTH. If you had discretion to spend the money where you wanted to spend the money, looking across all of the management obligations that you have, and you have lots of contractual obligations all over the country and lots of other responsibilities under the law and so on, would you still spend that $40 million on the Tongass?

Mr. ROBERTSON. I would spend it to the point of meeting my contractual obligations.

Senator WIRTH. Let me ask the question again. Would you spend that $40 million on the Tongass?

Mr. ROBERTSON. Just for timber?

Senator WIRTH. I really do not want to dance around it. I really want to pin you down because I do not think you can say yes to this. I do not see how you can, from everything I have heard, but I want you to try to make a case and tell me that, yes, in fact, this would be your highest priority.

The legislation in front of us says that what we are going to do is to put this on the budget and we are going to make the Tongass come in and compete just like every other entity in the budget, just like every other entity in the Forest Service under your purview.

I will put the question another way. If the Tongass was coming in and competing and you were setting up a budget, about to send it up to the Secretary of Agriculture and, from there up to the head of OMB, would you be constructing a budget in a way similar to the way that we spent this $40 million on the Tongass, in addition, of course, to the other about $20 million plus that is being spent there?

Mr. ROBERTSON. I would spend the bulk of it there, but I am not going to say I would not.

Senator WIRTH. Would you be able to manage it in a better fashion if you had the discretion to pick and choose the money? Would you do a better job of meeting your obligations as the head of the Forest Service, do you think, with that discretion?

Mr. ROBERTSON. Probably not.

Senator WIRTH. You would do the same job?

Mr. ROBERTSON. Well, you always have to sort through your bottom line of how many dollars you have and where your priorities are. I might shift a few million dollars.

Senator WIRTH. Let me see if I can understand the numbers. We heard earlier this afternoon that 83 cents out of every dollar was lost on each sale, and we heard from another witness that 99 cents on the dollar is subsidized. Those were two of the figures that we received. Let me see if I can try to understand how or why those figures are wrong or why those figures are correct.

Maybe I could start with the draft study that you are doing on the timber sale program information reporting system, July 1987. You are familiar with this?

Mr. ROBERTSON. Yes.

Senator WIRTH. On the first page of that, on the summary on page 1, you talk about total revenue of $3.3 million coming in. Do you see it at the bottom of page 1 there?

Mr. ROBERTSON. Yes.

Senator WIRTH. Now, first of all, is there any parallel between that figure and the figure that is in the Forest Service Alaska Study January 1987, Timber Supply and Demand? Do you have that study of January 1987?

On page 21 of that, it has a different figure for total revenue of $1.967 million.

Are those parallel numbers or not?

Mr. ROBERTSON. No, they are not parallel.

Senator WIRTH. The $1.9 million you just referred to includes the money going into the U.S. Treasury, the money we collected that went into reforestation and timber stand improvement on the timber sale area, and it includes purchaser road credit. In other words, part of that comes to us in the form of capital asset in the form of a road.

So if you add those three columns together plus all the other receipts we get on the Tongass, including recreation user fees and special use permits——

Mr. ROBERTSON. That is all laid out in the footnotes there.

Senator WIRTH. Yes. Going back to your draft study with GAO, where does the total revenue of $3.3 million come from?

Mr. ROBERTSON. The $3.3 million comes from $768,000 of timber sales; $2.5 million of purchaser road credit; and we collected some interest and penalties of about $4,000, to come up with a total of $3.3 million.

Senator WIRTH. Then on page 1 at the bottom there, you say the total present net value is $2.6 million. In other words, as I understand from that what you are saying is that the Forest Service or the taxpayer really comes out ahead by $2.6 million.

Mr. ROBERTSON. No, sir, we are not saying that. What we are saying is that total revenue including assets we received was $3.3 million to the Government, but we spent $15.4 million to get that $3.3, so we came out with a loss of $12.5 million.

Senator WIRTH. But then taxes were paid.

Mr. ROBERTSON. Then the $12.5 million loss, and that 2.6 is what we call report to. The 12.5 is a one-year cash flow analysis for 1986, but then if you project out ahead for the next several years in terms of the additional cost and additional benefit because we did some work there, mostly timber, we are saying that the net present value of future benefits is $2.7. That is practically all timber.

Senator WIRTH. You note in there the expenditure of $15.3 million. What happens to the other $48 million that comes out of the Tongass Timber Supply Fund? Where does that show up in your analysis of benefit from Tongass?

I am trying to understand how all of these figures are put together. It is complicated.

Mr. ROBERTSON. Those are good questions.

Senator WIRTH. Where does the $48 million show?

Mr. ROBERTSON. We have worked with GAO accountants in terms of developing an accounting system, and a lot of the figures you hear are cost of capital investments such as roads and charging it all that year.

Now, the timber sale accounting system is on an accrual basis in which we depreciate these roads all over a long period of time. For example, the roads, which I think represent about half of the Tongass fund, rather than depreciating all of the cost in 1986, we are depreciating a small slice.

Senator WIRTH. Over what period of time do you depreciate those? Effectively, what you are doing is depreciating the roads over a period of time; is that right?

Mr. ROBERTSON. Yes, basically over the rotation of the stand, which is about 100 years.

Senator WIRTH. So you assume that a road lasts for 100 years?

Mr. ROBERTSON. Yes.

Senator WIRTH. Does a road last in the rain forest? These are dirt roads, are they not?

Mr. ROBERTSON. No. In Alaska you have a lot of soft soil, so you have to put about three feet of gravel down in order to withstand the weight of a log truck.

Now, these are permanent roads that will actually be there forever unless we go in and do something to rehabilitate the land and take the road out. So a lot of the cost will never have to be incurred again, like the roadbed, the clearing and a lot of the drainage.

Surfacing is something that wears out, so you have to go back periodically and resurface the road, but a lot of the cost will never have to be incurred again, and we will be using that road 100 years, probably 200 years from now.

Senator WIRTH. For timbering, and that is the assumption that goes into these numbers; is that right?

Mr. ROBERTSON. We will use it for all uses. Timber sales finance most of our roads on the national forests, but once a road is built they are also available for fire access, recreation use or any other kind of use.

Senator WIRTH. So what you are saying is the fallacy in the 99 cents on the dollar number or the 83 cents on the dollar number is the assumption made in that analysis that you lay all of that cost off in one year rather than doing what you do, which is to depreciate it out over a period of time. That is the difference in those numbers; is that right?

Mr. ROBERTSON. That is basically the difference.

Alaska is undeveloped country. It is roadless country, and you have to build roads up there for the long term.

Senator WIRTH. If you timber. I just want to make sure I understand what those numbers are all about.

Let me ask you another question that relates to the subsidy per job number, and tell me if this is accurate or if it is not accurate.

As I understand it, you show about 1,400 jobs on page 1?

Mr. ROBERTSON. That is correct.

Senator WIRTH. The assumption that is made by the critics of this program is that to create 1,400 jobs, the taxpayer is spending about $63 million; in other words, the $48 million plus the $15 million.

Mr. ROBERTSON. The total budget for the Tongass National Forest is about $60 million, but only about $45 to $46 million actually goes into the timber sale program. The rest of it is outdoor recreation, fish and wildlife and other types of work we do on the Tongass.

So if you want to get a cost per job, we ought to divide the 1,400 into the $45 million, which is about $30,000.

Senator WIRTH. About $33,000 a job.

Mr. ROBERTSON. Yes. Again, that includes capital investments and everything written off that year.

Senator WIRTH. I am just trying to catch up from the critical comments that are made of the economics which you show just to give you the opportunity to state for the record how the Forest Service arrives at these figures and to see if we can do as complete a job of understanding those numbers, which are correct and where we are comparing apples to apples and where we are not.

Senator MURKOWSKI. Is 1,400 correct in today's market? I am using a figure of 3,000 and am told that is correct, and now you are saying 1,400 is correct. Which is it?

Mr. ROBERTSON. Well, there are about 3,000 jobs which you have talked about, and we figure we have about 50 to 60 percent of that as a result of the Tongass.

Now, half the timber comes from the Native lands, so you have to add that volume.

Senator MURKOWSKI. That employees of the two pulp mills that work two shifts plus the saw mill that works two shifts plus X number of people in the woods.

I would like the Forest Service to provide for the record, Mr. Chairman, an accurate count of employment currently off the Tongass.

Senator WIRTH. I think that is useful.

[The information referred to follows:]

The accurate total employment number related to the Tongass National Forest timber program in fiscal year 1986 is 1,860. The figure is an increase of 451 from the figure shown in the draft fiscal year 1986 TSPIRS report that was available to the Committee at the time of the hearing. The revision in the employment figure resulted from changes in prior year employment records by the State of Alaska that lead to recalibrating the model used to develop the employment figures and to errors in the use of the model that were discovered in finalizing the report.

For fiscal year 1987 the estimated total employment figure related to the Tongass National Forest timber program is 2,305.

Senator WIRTH. I assume that the 1,409 figure that you have in your draft report of July 1987 is your best guess or your best figuring as of July as to what those numbers were, and that was a draft report.

Mr. ROBERTSON. Yes, sir.

Senator WIRTH. So maybe that has gone up by now. As Senator Murkowski suggests, maybe that has gone up.

Mr. ROBERTSON. Well, we will look at those numbers but, again, that does not necessarily conflict with the 3,000 that you are quoting, Senator Murkowski, because you have to add the other timber jobs.

Senator MURKOWSKI. I do not want that. I know what the other timber jobs are. I want to know what the Forest Service jobs are associated with taking off the mills that depend on your source of timber plus the logging. That is what I am looking for, and it would be interesting if you would put a factor on that as to what the support industries are, because everybody in Washington does that.

Mr. BARTON. The figure is also for Fiscal Year 1986.

Senator MURKOWSKI. I understand that.

Senator WIRTH. On page 4 of this report, you show total jobs direct of 1,042; indirect and induced, 367, which is where you get the 1,409.

I gather that that is your reply to Senator Murkowski's question, although maybe you have more updated figures.

Mr. ROBERTSON. No, that is our latest figure.

Senator WIRTH. That is your latest figure?

Senator MURKOWSKI. That is the current figure, too?

Mr. BARTON. The Fiscal Year 1986 figure.

Senator MURKOWSKI. You come in here without a 1987 figure?

Mr. BARTON. No, sir.

Senator MURKOWSKI. Why not get one? You can get it.

Senator WIRTH. Maybe if you could get it.

Senator MURKOWSKI. Mr. Chairman, if they do not have current figures on what the employment is, then I suggest they get it.

Mr. ROBERTSON. That is a good suggestion, and we will get it.

Senator WIRTH. I do not want to put the Chief into a box here. It was my use of the Fiscal Year 1986 report which we have been working off of, and I think it would be helpful to include for the record what changes might exist from Fiscal Year 1986 to present.

Let me talk about a point raised by one of the witnesses earlier this morning who pointed out that there were other uses in recreation, sporting activities, tourism, and so on that might be more beneficial.

In your economic account, you show that the present net benefits for commercial fishing is $368 million. Do you know what the present net value would be if there were no Tongass timber harvest? Would that be higher or lower?

Second, have you done any studies to look at what the present net value as to other uses in the forest might be?

In other words, that goes to Congressman Regula's point this morning that he believes that there are other uses that would be more beneficial and more cost effective than timbering.

There is no reason why you would have that now, but if not, please submit that for the record.

Mr. ROBERTSON. We will do that, Mr. Chairman.

[The information referred to follows:]

The cessation of timber harvest on the Tongass National Forest could result in a reduction of the present net value (PNV) of commercial salmon fisheries. Research indicates that no long-term damage occurs to spawning streams when the fish habitat management standards and guidelines developed by the Forest Service, Alaska Department of Fish and Game, and the National Marine Fisheries Service, are applied to timber harvest activities. These practices, which are used during the planning of every harvest unit on the Tongass, ensure fish habitat is maintained or enhanced. Therefore, halting timber harvest would not necessarily improve the present PNV of the commercial salmon fisheries. In fact, such action could actually lower the PNV since Knutson-Vandenburg (KV) funds collected from timber sale stumpage are regularly used for fish habitat enhancement as a part of planned sale area improvements. Cessation of timber harvest and the loss of the resultant KV funds would eliminate some opportunities for salmon enhancement projects and their contributions to future salmon harvest. Also, the improved access to some areas provided by development activities requiring roads can result in substantial cost savings on some fish habitat improvement projects.

Senator WIRTH. This is part of the continuing discussion we have of alternative uses of the forest as to whether timber is the highest and best use in terms of economic return or, if less money were going into timbering and more money were going into game management or going into tourism or going into recreation or other sporting activities, might there be a greater economic return.

Do you see what I mean?

Mr. ROBERTSON. I understand, but what you have to look at in southeast Alaska, you need to have all of those industries to have a strong viable economy.

Senator WIRTH. I understand. Every forest supervisor that I know in Colorado has a limited amount of money to work with and is trying to maximize the return on that limited amount of money, and maybe here you do not have to worry about that because you have more money than you know what to do with on that forest.

Maybe not, but if you have a limited amount of money, where do the various returns come from and how might you better maximize the use of investments there. That is the question. It seems to me we ought to try to understand it.

Mr. ROBERTSON. A good example of that is we really have some high payoff fish habitat improvement projects that we could do up there. In fact, we are doing quite a bit of it, but, again, it has a delayed effect. You make an investment this year, and three or four years later you reap the benefits through increased fish harvesting.

Senator WIRTH. Just a final question here. This comes out of the Forest Service 1985 report on a comparison of cumulative costs and returns, what happens if you have a weak market and what happens if you have a strong market.

The argument being made, as I understand these tables, is that with a weak market you are going to lose money but that over a period of time if you have a strong market, the benefits outweigh the costs. That is the thrust of these four tables, as I understand it.

Mr. ROBERTSON. That is correct. When I look at those tables, I conclude we have to have a strong market in order to keep returns positive.

Senator WIRTH. In order to make it worthwhile.

Mr. ROBERTSON. You have it, yes.

Senator WIRTH. Now, are the assumptions behind all four charts the same?

Mr. BARTON. I am not sure to what you are referring.

Senator WIRTH. You have four bar charts, and in looking at these, one would say, okay, the basic data underlying each one is the same. We are asked to compare, and we look at a bunch of bar graphs.

I once took a course when I was an undergraduate in how to argue anything you want with statistics. One of the things you want to do in looking at bar graphs is to say, are the data and the assumptions underlying each one of these the same.

Mr. ROBERTSON. The assumptions are not the same.

Senator WIRTH. Now, is that noted anywhere in this report, or would one, just looking at this, assume that, in fact, all of the assumptions were the same?

Mr. BARTON. It has been a long time since I have looked at that report, Senator, but I believe it is noted in there what the assumptions are that are used.

Senator WIRTH. As the Chief says, if you look at these, you say, hey, wait a minute, we have a strong market, we can make money.

Maybe you could supply for the record what this set of bar graphs would look like if it had the same assumptions as these.

It is my understanding that, in fact, you would still show, even with a strong market, a loss; that your benefits would be less than the cost.

Maybe you could supply that for the record. There is no reason you would know that now, but some people have brought this to our attention and are highly critical, saying, wait a minute, this is not accurate.

[The information referred to follows:]

No, the assumptions are not the same for the 4 charts presented in the Status of the Tongass National Forest report for 1985. The following explanation is provided on page 71 of the report:

"Figure 5.6 compares the cumulative costs and returns of timber harvest under the two schedules for both 'weak and strong' market conditions. The first schedule was developed using the cost assumptions used in developing the Forest Plan. This cost information was updated to reflect current timber sale appraisal information. The second schedule maximizes present net returns: therefore, the more valuable, less costly volume classes (30+mbf) are harvested early in the rotation, while harvest of the more costly, less valuable volume classes (8–30 mbf) is delayed until late in the rotation. Under a schedule in which timber production is maximized in the first decade, a more even mix of high- and low-volume classes is scheduled over the entire rotation. Differences between the harvest schedules are reflected in the present net value of each harvest schedule after 50 years. This schedule incorporated the cost savings efforts by both the Forest Service and the timber industry that have been instituted during the last several years."

Senator WIRTH. Again, the purpose of my questions is simply to try to make sure that we have data that we understand and that we are comparing the same figures and the same graphs and the same numbers.

Mr. ROBERTSON. I understand.

Senator WIRTH. If you might do that, that would be very helpful.

We really appreciate your being here. Thank you very much. There will be a number of questions, I know. Senator Bumpers had some. I think that Senator Murkowski said that he did, and I believe that there are two or three others that I had as well, but I do not want to keep you any longer. I really appreciate your coming up and being with us.

Think very carefully about your answer to that question about how you would spend that discretionary $40 million, will you?

Mr. ROBERTSON. Thank you.

Senator WIRTH. Thank you very much, Mr. Robertson.

The final witnesses today are Mr. Eric Laschever, the Associate Director for Fisheries and the Environment, the Alaska Governor's Office here in Washington, D.C.; and Mr. Thomas Beck, the Mayor of Thorne Bay, Alaska, accompanied by Mr. William Privett, the former Mayor of Thorne Bay, Alaska.

It says Thorne Bay. It is not accurate; is that correct? It is Wrangell. Sorry, Mr. Privett.

Thank you all very much for being here.

Mr. Laschever, maybe you would like to begin. Your testimony will be included in full in the record. We appreciate your coming and look forward to your assistance.

STATEMENT OF ERIC S. LASCHEVER, ASSOCIATE DIRECTOR FOR FISHERIES AND THE ENVIRONMENT, ALASKA GOVERNOR'S OFFICE

Mr. LASCHEVER. Thank you. Mr. Chairman and members of the subcommittee, my name is Eric Laschever, and I am the Associate Director for Fisheries and the Environment in Governor Steve Cowper's Washington, D.C. I will present the testimony on behalf of the state.

You have all heard at length today about the difficulty in striking the compromise during ANILCA between creating large set-asides for wilderness while maintaining the dependent timber industry, and I will not repeat that.

I will go quickly to what I think is the crux of our statement, which is that we believe that the main barrier to accomplishing the goal that Congress was after back in ANILCA is that section 705 has not been fully or effectively implemented.

There has been some benefit in those sections in cushioning the effects of the declining markets and the reduction of the timber base on local economies.

For the record, I guess I would note that the timber base was reduced by 1.65 million acres of commercial forestland, and 173.6 acres of that was the higher volume stands, 30,000 board feet or more.

We believe that until the provisions of ANILCA section 705 and the Tongass Land Management Plan are fully tested and found to be deficient, the state cannot support any substantive alteration of section 705.

We believe that Congressional action at this time is premature for several reasons, and I think many of them have already been noted.

First is the General Accounting Office study which already has received some attention today. We were expecting it out a little later, but we feel that when it is fully available it will be an important source of information in forming the deliberations here.

Second, under 706(b), the Secretary of Agriculture is due to report to Congress again on implementation on these sections of ANILCA, and we think that that report would be useful to have in hand before proceeding.

I would note that the last time the Forest Service prepared such a report, the state recommended a number of modifications in policies and management practices that we felt would solve a number of the problems that have been discussed, and we have attached to our testimony a brief summary of where we think they have addressed some of those concerns and where we think that further work is needed to arrive at a satisfactory administrative resolution.

The third reason we believe that action would be premature at this point is that, as noted, the Tongass Land Management Plan provides a very comprehensive look at the forest and, as was done during ANILCA, that process was very useful in forming Congress' deliberations.

Finally, we feel that because your actions will exclusively affect the region of southeast Alaska and those communities that hearings in those areas are needed. You will be hearing in the next days a wide divergent set of views on how to best manage the forest, and we feel that the subcommittee should schedule public hearings in Ketchikan, Sitka and Juneau as well as a number of smaller communities, such as Craig or Klawock or Tenakee Springs.

You will find these communities represent a broad cross-section of the region's economy, and that by going up there and conducting these hearings, you will have the opportunity firsthand to hear how Alaskans with different views feel about the actions that you are contemplating.

To conclude, we believe that changing section 705 is premature at this time. We believe that administrative remedies exist which may correct many of the problems that the state and others have identified.

With that, I will stop and await questions.

[The prepared statement of Mr. Laschever follows:]

TESTIMONY OF ERIC S. LASCHEVER
BEFORE THE SENATE SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS
November 3, 1987

Mr. Chairman and Members of the Subcommittee:

My name is Eric S. Laschever. I am the Associate Director for Fisheries and the Environment in Governor Steve Cowper's Washington D.C. Office, and will present testimony on behalf of the State of Alaska.

One of the most difficult issues which faced Congress during ANILCA deliberations in 1980 was to simultaneously satisfy the national desire for protection of large acreages of wilderness in the Tongass National Forest while maintaining employment in the existing timber industry which depended on Federal timber supplies. Section 703 of ANILCA designated 5.5 million acres of the Tongass National Forest as wilderness. Section 705 specified a timber supply of 4.5 billion board feet per decade for the dependent industry and provided a continuing appropriation of no less than $40 million per year to the Forest Service in order to make the timber supply available. Section 705 reaffirmed the Forest Service's longstanding social objective of creating and maintaining year-round employment and community stability based on the timber resources of the Tongass National Forest.

The State believes that the accomplishment of this goal has been hindered by incomplete implementation of Section 705, although the Tongass Timber Supply Fund has somewhat cushioned the effects of declining markets and the reduction of the Federal timber base on local economies. The timber base was reduced when 1.65 million acres of commercial forest land, including 173.6 thousand acres of higher volume (30 thousand board feet or more per acre) old growth stands were placed in protected wilderness status. Until the provisions of ANILCA Section 705 and the Tongass Land Management Plan (TLMP) are fully tested and found to be deficient, the State cannot support any substantive alteration of Section 705. The State, however, continues to be interested in seeing that the provisions of Section 705 are properly implemented by the Secretary of Agriculture and the Forest Service.

Congressional action to change Section 705 is premature for several reasons:

1. The General Accounting Office (GAO) is currently investigating Forest Service implementation of Section 705 of ANILCA. The State of Alaska looks forward to reviewing a thorough and objective analysis by the GAO. Such an analysis would include the use of funds provided to the Forest Service since 1980 for the Tongass Timber Supply Fund, and the degree of success in achieving the Congressional objectives of Section 705, including consideration of the assumptions and information of the 1979 Tongass Land Management Plan (TLMP) which were utilized by Congress in its deliberations. We believe that the findings of such an investigation could help lead to the implementation of ANILCA Section 705 as intended by Congress.

2. The Secretary of Agriculture is required by Section 706(b) to report again to Congress this year on the status of the Tongass National Forest. This report, which will again involve the participation of the State of Alaska and others, should describe any changes which

have occurred since the 1985 report was completed. All parties interested in the Tongass National Forest should have this information available before considering changes to Section 705 of ANILCA.

Last year the State recommended that the Forest Service modify some of its policies and management practices to improve implementation of Section 705 and TLMP. Although "the jury is still out" on Forest Service adoption of many of those recommendations, we are aware of some positive steps. For example, we understand that the Forest Service will work with the dependent timber industry to schedule preroading expenditures in the areas where timber harvest is planned.

Increased attention to management area analysis (a level of planning more detailed than TLMP) in the three administrative units of the Tongass National Forest reflects increased understanding of TLMP by Forest Service employees. Some life-of-the-sale and life-of-the-rotation planning, an important part of the addressing long-term cumulative effects of the Tongass timber program, has been accomplished recently by the Forest Service. Prescriptive management of fisheries habitat areas has recently been incorporated in operating plans for long-term timber sales, although the State is not aware of any actual on-the-ground implementation yet. Attached to this testimony is a more detailed assessment of Forest Service responsiveness to the State's concerns expressed in last year's 706(b) report.

3. The Tongass Land Management Plan (TLMP) was adopted by the Forest Service in 1979 and became an important source of information and assumptions available to Congress during its ANILCA deliberations. The State of Alaska participated in the TLMP planning process. In the closing hours of that process, the Forest Service modified the plan unilaterally and departed from some of the understandings and recommendations developed through the State's participation in the interdisciplinary planning team. The forest plan has, nevertheless, served as a useful depiction of legislative and administrative allocations of land use. TLMP has been available to provide general guidance for management of the Tongass over the past 7 years. TLMP is scheduled for revision, a periodic requirement of the National Forest Management Act, in 1989. The State of Alaska intends to participate in the public process of revision, and will provide available statistical data, as well as analyses and recommendations regarding State resources and interests affected by Federal land management decisions. TLMP was a key source of information and assumptions during ANILCA deliberations, and if well done, new information and understandings developed during the revision process can provide a sound basis for further Congressional consideration of the Tongass.

4. Section 705 deals exclusively with public land and resources in southeast Alaska. More than thirty communities exist in or near the Tongass National Forest. About one-fifth of Alaska's population resides in these communities and in rural settings throughout the region. It will become clear during these hearings that within the region there are a number of divergent views on the best way to manage the forest. The State of Alaska believes that it is essential to conduct Congressional hearings in southeast Alaska before taking legislative action which would affect the Tongass National Forest. No Congressional hearings

have been held in this region of Alaska since H.R.39 testimony was taken more than nine years ago.

The State of Alaska urges this Subcommittee to schedule public hearings in Ketchikan, Sitka and Juneau, as well as in a number of the smaller communities such as Craig or Klawock on Prince of Wales Island and Tenakee Springs on Chichagof Island. These communities represent a broad cross-section of the region's diverse economy, culture and lifestyles. You would have the opportunity, first-hand, to hear how Alaskans with differing views and interests living within the Tongass National Forest, and dependent upon its many resources, feel about current management of the Tongass National Forest, the consequences of ANILCA's passage in 1980, and the legislation which has been introduced this year.

In conclusion, the State of Alaska believes that changing ANILCA Section 705 by eliminating the funding and timber supply provisions is premature. We believe that administrative remedies exist which may correct many of the problems that the State and others have identified. We solicit your continued interest in the Tongass National Forest and in monitoring Forest Service implementation of Section 705.

Thank you for your attention. The State of Alaska would be happy to respond to any questions that members of the committee might have, either at this time, or in writing before the hearing record is closed. Thank you very much.

ASSESSMENT OF FOREST SERVICE ACTIONS TO REMEDY PROBLEMS IDENTIFIED BY THE STATE OF ALASKA IN 1985 ANILCA SECTION 706(b) REPORT

Last year, the State of Alaska listed 26 recommendations which, if adopted by the Forest Service, would enable the state to determine how well the provisions of Section 705 of ANILCA, and the Tongass Land Management Plan (TLMP) are working.

The Forest Service recently provided the state with its responses, dated April 20, 1987, to the state's recommendations of last year. We have not yet been able to independently determine the validity or merits of each of the Forest Service responses. However, the State of Alaska can offer the following assessment based on its own observations.

The state's recommendations to the Forest Service in last year's 706(b) report fall into five categories of concern:

1. THE MEANING OF "TIMBER SUPPLY": interpretation of the timber supply requirement of Section 705(a).

   Although there has been considerable dialogue between the state and the Forest Service about the meaning of the term "timber supply" as used in Section 705(a), we do not agree that Congressional intent is being properly interpreted by the Forest Service. The Forest Service has not changed its interpretation of timber supply. For example, timber which is offered to the timber industry, even if no one can afford to buy it, is considered by the Forest Service to be supplied pursuant to Section 705(a). Timber released for harvest under the two long-term timber sale contracts, even if the purchasers can't afford to harvest it, is also considered by the Forest Service to be supplied to industry.

   The economic viability of individual timber stands varies over time with market conditions, costs, and logging technology. A stand that was economically viable in 1980 may be economical marginal today. The Forest Service apparently believes that only timber stands which were marginal in 1980 can be considered marginal today, ignoring the economic realities that the industry faces every day, as well as statements contained in TLMP.

   TLMP states on page 185: "In some years, when markets are good, the remaining value [after logging and manufacturing costs, profit and risk allowances are subtracted from end-product selling values, the remaining value of the timber is available to the purchaser for road construction and stumpage] is high and public investment may be at a lower level. However, in periods of poor markets -- when the available residual values are insufficient to cover the full cost of road construction -- government investments can be substituted to facilitate construction of the roads." Congress based its decision regarding timber supply and varying funding needs over time on such Forest Service assumptions. The State of Alaska is hopeful that the current GAO investigation will thoroughly examine this issue, and provide the basis for clarifying the Forest Service's obligation to supply timber to the dependent industry in southeast Alaska.

2. ANILCA FUNDS: the adequacy and use of federal funds provided under Section 705(a), and activation of the loan program in Section 705(b).

   The Forest Service has announced several changes in its use of ANILCA funds in the past year or more. For example, the Forest Service has indicated that it will work with the timber industry to schedule preroading expenditures in areas where timber harvesting is planned. This is partially responsive to one of the state's recommendations (# 3).

We believe that the Forest Service can take another positive step to properly implement Section 705. Preroading expenditures should be scheduled, as envisioned by TLMP, whenever a timber sale appraisal indicates that purchaser credits will be ineffective in reimbursing a timber sale purchaser for contractually required roads. As these roads are constructed, they become capital assets of the federal government.

For the record, we are submitting a copy of a state letter to the Alaska regional forester, dated January 16, 1987, which discusses this issue in more detail. This letter refers to information supplied by the Forest Service to Senator Ted Stevens' office. It suggests a possible reversal of Forest Service policy regarding what timber volume is considered available. Although the Forest Service has not formally responded to this observation in our January 16th letter, we understand that this apparent reversal as an official agency position may have been unintentional.

In addition to improving the economics of timber harvesting in the Tongass, ANILCA funds are to be utilized to mitigate the effects of timber harvesting and associated activities on fish and wildlife populations and their habitats, and on water quality. These protective measures are identified in TLMP and described in various published Forest Service handbooks and professional papers. We have seen some indications that the Forest Service is dedicating more resources to these measures, although we believe that considerably more effort is needed in this area.

The loan program of Section 705(b), seven years after the passage of ANILCA, has still not provided any funds to the dependent timber industry. The industry has stated that it needs this program, and in last year's ANILCA 706(b) report, noted that the Forest Service had been directed to implement the program, and requested that it do so without further delay.

3. TLMP FOLLOWTHROUGH: Forest Service implementation of the TLMP: Forestwide employee understanding; interpretation of key elements such as retention, etc.; specific management practices; monitoring of the effectiveness of mitigating measures and the impacts of timber harvesting and associated activities; step-down planning (MAA); etc.

The previous discussion dealt with the Forest Service interpretation of its obligation to supply timber to the dependent industry, and the amount and usage of funds provided under Sec. 705(a). Congress utilized the information and assumptions developed by the Forest Service in the Tongass Land Management Plan (TLMP) during the drafting of Section 705. Consideration of TLMP, and its implementation, are therefore essential in evaluating the success of ANILCA implementation in the Tongass National Forest.

The state's recommendation number 8 addresses the need for adequate funding for an increased level of implementation and monitoring of measures to protect fish and wildlife resources. The state is aware, for example, the the Forest Service has decided to purchase an automated geographic information system (GIS) and to develop and maintain a forest-wide "living" map data base which may aid Forest Service efforts to monitor the changes in fish and wildlife habitat. To date, however, we have not seen significant improvement in the level of implementation and monitoring of fish and wildlife protection measures and their effects on fish and wildlife populations.

Another state recommendation (number 12) called for life-of-the-sale and life-of-the-rotation planning. The Forest Service included life-of-the-sale planning in the revised 1984-89 Operating Plan for Ketchikan Pulp Company's (KPC) long-term sale and, to a limited extent, the 1986-90 Operating Plan for Alaska Pulp Corporation's (APC) long-term sale. The Forest Service has also begun to document the cumulative impacts of timber harvesting on fish and wildlife resources. The state looks forward to working with the Forest Service toward continued improvements in forest planning.

The state has seen increased implementation of Management Area Analysis planning in all three administrative areas of the Tongass National Forest. We believe this is a key level of planning which fills the sometimes large gap between project level planning and the much broader forest level planning. We believe that this increased effort by the Forest Service is an indication of increased understanding of TLMP by Forest Service employees (recommendation 6).

The Forest Service now proposes to analyze the effects of continued deferral of logging on high value fish and wildlife areas identified by the Alaska Department of Fish and Game as part of TLMP revision, scheduled for completion in 1989 (recommendation 14). The state is pleased to hear this announced intent, but it must be noted that this is the third time that the requested analysis has been put off by the Forest Service to a future document.

TLMP, scheduled for revision in 1989, may include a forest-wide transportation plan. The recent interim updating of TLMP did include a regional transportation map. We are not aware however, that the Forest Service has conducted any actual evaluation of transportation alternatives, or their associated impacts (recommendation 16).

Important recreational fishing areas are acknowledged by the Forest Service in its timber sale planning efforts, but there has been no noticeable increase in protection of asthetic values for these areas (recommendation 19).

The state recommended that the Forest Service monitor and document the status of a number of forest management activities (recommendation 22). The state anticipates that the geographic information system (GIS) should allow the Forest Service to monitor and account for retention acreage, fish and/or wildlife habitat management units, availability of various types of fish and wildlife habitats, the distribution, juxtaposition and ages of second-growth stands, etc. To what extent the full capability of the GIS will be utilized is still unknown and no current monitoring, record keeping or removal of retention areas from the timber base is being done to our knowledge.

There has been progress towards prescriptive management for Fisheries Habitat Management Units (FHMU) with the adoption of the Fisheries Habitat Management Unit Handbook. It was used partially in the APC 1986-90 document and is being used in the KPC 1989-94 document. We are not aware that on-the-ground implementation of prescriptive management in FHMUs has been evaluated by the Forest Service.

Management Indicator Species (MIS) were selected for the Tongass and Chugach National Forests based largely on results of a recent interagency workshop involving the Alaska Department of Fish and Game, the Forest Service and other federal resource agencies. To our knowledge, however, habitat management requirements have not been developed nor has any monitoring been initiated by the Forest Service.

8. EXPERIMENTAL TECHNIQUES AND RESEARCH: characterization of research in progress, and of research findings; experimental mitigation techniques and findings.

The Forest Service is conducting a variety of research projects in the Tongass National Forest, and is trying experimental techniques to mitigate the effects of its forest management activities on fish and wildlife and their habitats, and on water quality. The state wholeheartedly endorses these efforts, but continues to insist that experimental measures not be construed as being effective until such effectiveness has been demonstrated and limitations have been identified.

9. SUBSISTENCE. adequacy and consistency of subsistence analyses required by Section 810 of ANILCA.

The Forest Service has developed an internal handbook to guide its employees in preparing subsistence evaluations required by Section 810 of ANILCA. The handbook is based on guidelines endorsed by the Alaska Land Use Council (ALUC). The ALUC has also looked into the development of standards and criteria for federal subsistence evaluations but has not endorsed any standards or criteria . The state has been unsuccessful so far in getting the Forest Service to cooperatively develop standards and criteria for subsistence evaluations. The Subsistence Division of the Alaska Department of Fish and Game has proposed changes in the data requirements, analysis methods and cumulative impacts assessment. The state continues to seek cooperation from the Forest Service (recommendation 26).

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF GOVERNMENTAL COORDINATION

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January 16, 1987

Mr. Michael A. Barton
Regional Forester
Region 10
U.S. Department of Agriculture
Forest Service
P.O. Box 021628
Juneau, AK 99802

Dear Mr. Barton:

SUBJECT: DRAFT TIMBER SUPPLY AND DEMAND REPORT - FIRST HALF 1986

The draft Timber Supply and Demand Report for the first half of 1986, to be submitted to Congress pursuant to Section 706(a), Alaska National Interest Lands Conservation Act (ANILCA), has been reviewed by the State of Alaska.

The report is generally well written and informative in describing many characteristics of timber supply and demand in southeast Alaska during the first six months of 1986. However, as previously noted by the state, much of the offered timber has: 1) not been available to the dependent timber industry in an economic sense and; 2) therefore not supplied as intended by Congress.

Depressed world markets and the Forest Service's inadequate funding response to the poor market conditions have adversely affected the dependent timber industry in southeast Alaska. As the state has previously indicated, federal funds provided during the past six years under Section 705(a) have not been sufficient to achieve congressional employment objectives nor have they been used as effectively as possible to increase the availability of economic supplies of commercial timber during the current market downturn.

However, in a preliminary paper titled "Primary Manufacturing Requirements for Federal Timber in Alaska - What Are the Effects

Of Potential Policy Changes?" (provided to Senator Ted Steven's office on October 14, 1986, by David A. Heerwagen of your staff), the Forest Service has apparently changed its position on the definition of the "available" timber supply required by Section 705(a). After explaining the requirement in Section 705(a) of ANILCA that 4.5 billion board feet of timber be made available for dependent industry, the Forest Service states: "As presently administered, only volume removed from the harvest site is considered available." Since 1980, however, the Forest Service has maintained that timber offered (or prepared for release) is timber supplied. We are encouraged that the Forest Service apparently now agrees that the availability of the Tongass timber supply is closely linked to changing market conditions.

Another promising change in Forest Service policy is also indicated by statements in the draft 706(a) report that "road building will be based on the needs of the timber industry," including "preroading... on the long-term sales... where the operators plan to harvest within the current five year plan," and after independent timber sales are sold.

We encourage the Forest Service to take yet another positive step by scheduling pre-roading whenever timber sale appraisals indicate that purchaser credits will be ineffective in reimbursing purchasers for contractually required roads. This would be consistent with a key Tongass Land Management Plan (TLMP) assumption which was utilized in congressional deliberations "... in periods of poor markets--when the available residual values are insufficient to cover the full cost of road construction--government investments can be substituted to facilitate construction of the roads" (TLMP, page 185). This step will ensure that publically owned roads and other permanent transportation facilities (as well as ranger stations and administrative facilities) needed for long-term management of the Tongass Forest will be paid for by the federal government. Furthermore, we believe that adoption of this practice would not be contrary to your agency's position that the timber supply "does not guarantee profits to existing industry regardless of market conditions."

Thank you for the opportunity to review your draft report and to comment on your policies regarding timber supply obligations and funding provided under Section 705(a) of ANILCA. To keep congressional oversight committees informed of the views of the interested parties named in ANILCA Section 706(c), we request that you include in your annual timber supply and demand report the views of the State of Alaska contained in this letter, as well as the views of the other named parties if they desire. Enclosed for your consideration are some additional comments which specifically address certain aspects of the draft report.

Sincerely,

Robert L. Grogan

Robert L. Grogan
Director

Enclosure

cc: Commissioner Brady, DNR, Juneau
Commissioner Collinsworth, DFG, Juneau
Commissioner Gutierrez, DOTPF, Juneau
Commissioner Kelso, DEC, Juneau
Commissioner Smith, DCED, Juneau
Attorney General Schaible, Law, Juneau
John Katz, Office of the Governor, Washington, DC

Existing Timber Industry Structure

Readers may be confused by the reference to the Territory of Alaska. It should be made clear that this is a discussion of the history of Southeast Alaska's timber industry.

Timber Industry Processing Capacity and Operating Rates

The Alaska Pulp Corporation mill was closed from July to October in 1985 for inventory adjustment and in July to August of 1986 due to a labor dispute. (The draft report suggests both closures were due to labor disputes.)

Mitkoff Lumber Company purchased the Haines mill from the state in December of 1986 and plans to operate during the 1987 season.

Market destinations for lumber and cants produced by the three mills operating in Southeast Alaska should be indicated. If the figures are available, the percentage of the statewide and southeast Alaska regional demand for lumber which is supplied by local mills should be indicated.

Southeast Alaska Timber Supply

Table 2: Title should indicate timber harvest not timber supply.

The draft report indicates that the State of Alaska has a fifteen year timber sale contract near Haines. This timber sale contract has been cancelled.

National Forest Timber Volume Targets Versus Accomplishments

Since the primary reason for establishing and maintaining a forest products industry in Southeast Alaska was to maintain employment in the region, it would be more informative to compare the amount of timber made available to the amount of timber actually harvested, rather than to the amount of timber actually sold. It is timber harvested, rather than timber sold, that generates and sustains local employment.

This table, or some variation of this table, has been included in each of the five preceding 706(a) reports. The table indicates that far greater emphasis has been given to harvest of old growth volume than to establishing a balanced harvest among volume classes. While the harvest of class 7 timber (50+ MBF/Acre) was 63.5% of the production goal, the harvest of class 4 timber (8-20 MBF/Acre) was only 13.2% of the goal.

The current allocation of harvesting among volume classes implies that future timber harvesting will be even less economic as the lower volume classes begin to make up an increasing proportion of the timber supply. Since Table 3 uses annual average harvests over the period 1980-1986, it is not possible to determine if the tendency to emphasize harvests of class 7 timber is increasing or decreasing. The table should display the same information broken out by fiscal or calendar years over the same time period. It is recommended that such a table be included in the final report.

Alaska's Timber Market Share and Factors Affecting Future Trade

The six month IWA strike in British Columbia was settled in December.

In the discussion concerning Alaska's pulpwood and dissolving pulp markets, it is noted that there has been a dramatic increase over the past six months in roundlog imports for pulping consumption into Southeast Alaska from Canada. Although this has been a topic of much discussion over the last two to three years, very little is said about the reasons for this dramatic increase in 1986. An expanded discussion of this topic would improve the report.

The report indicates that the timber tariff on Canadian timber imports into the United States will have the effect of pushing more logs and lumber from interior B.C. into the Pacific Rim markets. This could have a detrimental impact on the roundlog export market from Native and state owned lands in Alaska. Some additional discussion of this timely subject would be informative.

Factors Affecting Alaska's Future Forest Products Trade

First Paragraph: Change reference to continuing strike in B.C.

Second Paragraph: The weakening of the U.S. dollar against the Yen has had a favorable effect on the export of Alaska sawn products. Additional value can now be added in Alaska cheaper than in Japan due to higher Japanese labor rates resulting from the strong Yen.

China (PRC) Timber Demand

Imported log volume for the People's Republic of China will be down in 1986 to about 670mmbf, a decrease of about 40% from 1985. China's 7th five-year plan beginning in 1987 calls for slower economic growth for the first two years of the plan. Based on a recent log marketing conference in the Pacific Northwest, it is anticipated that wood imports for China, particularly logs, may show a slight growth in volume each year for the next two years and then move up more vigorously.

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Senator BUMPERS [presiding]. Senator Murkowski, with your permission let us proceed with the last witness, and then we can take questions.

Mayor Beck.

STATEMENT OF HON. THOMAS BECK, MAYOR, THORNE BAY, AK, ON BEHALF OF THE SOUTHEAST CONFERENCE, ACCOMPANIED BY WILLIAM PRIVETT, FORMER MAYOR, WRANGELL, AK

Mr. BECK. Thank you, members of the committee. I want to thank you for the opportunity to appear before you today. I am the Mayor of Thorne Bay, Alaska, a community of 500 people on the Prince of Wales Island in southern southeast Alaska, today representing the Southeast Conference, an organization comprised of elected officials and chamber of commerce board members who are representative of the majority of the communities and 95 percent of the population in southeast Alaska.

The Southeast Conference has been in existence since Alaska has been a state. Our mission has always been to promote economic diversification and develop overall stability of the economic base in southeast Alaska. We are mandated to represent all of the people in our communities and all of the industries in our region on issues that have any effects, positive or negative, on the lifestyle or quality of life.

Before I continue any further, I would like to impress upon you that my statements today are not representative of any single interest group. We in the Southeast Conference are working hard to represent all the facets of our community in an honest and progressive manner. Our economic foundation evolves around timber, fishing and tourism.

The management of the Tongass is synonymous with the lives of 70,000 people living in southeastern Alaska because these 16.7 million acres is literally our backyard.

Last August, we in southeast Alaska had the pleasure of hosting many of you during your visit to the Tongass. I firmly believe that the trip was beneficial to those of you who came with an open mind. I sense that the personal observation showed you that the alleged rape and plunder of the Tongass is more fallacy than fact.

Last year we were told the U.S. Forest Service was spending our tax money foolishly, showing a loss for its investment in the timber industry. I suggest you review the recent timber sale program information report from the United States General Accounting Office.

This unbiased document clearly illustrates what Forest Service folk in the Tongass have been maintaining all along in answer to the accusations they were foolishly spending tax dollars on their programs in the Tongass.

I submit to you that when all the propaganda as issued by the adversaries of the timber industry has been properly analyzed, you will not find a mismanaged, floundering industry but a viable growing opportunity for anyone who has the foresight and intestinal fortitude to invest their time and money in the timber industry.

I would like to quote a statement made by Congressman Mrazek on the radio in Wrangell, Alaska. Mr. Mrazek said, and I quote,

> The profit and good jobs appear to go to the Pacific rim, and jobs that pay very little remain in the Tongass. I think cancelling those contracts would allow more competition within the industry, certainly from the independent loggers, and it might result in the production of more finished wood products where there would be more profit and better jobs for the people of Alaska rather than just production of, for the most part, pulp for the Pacific rim nations.

I believe this statement exemplifies how little is understood about the working of the timber industry in southeast Alaska. In a two-year period, Wrangell mill is producing finished lumber for export, and the employment has increased from 60 jobs to the present work force of 185 and 212 at its peak.

Work for the longshoremen has increased dramatically as a result of the increased shipping. In the past, there was an average of one timber ship every two months with a capacity of 6 million board feet of cant. Presently, the average is one ship per month with the capacity of 12 million board feet of plain finished lumber.

In a two-year period, jobs at the mill have more than tripled. Within the next two years, the Wrangell mill will have a whole log chipper for pulp grade timber, a kiln dry operation, and a finish mill to process the end product. Conservatively, the employment will increase by 100 jobs.

In addition, they have now opened markets in the lower 48, the first time in history the Alaska timber industry has done so.

Industry critics say that a large portion of the timber harvest is turned into pulp and a majority of it is shipped to the Pacific rim markets and in some mysterious manner it has taken the jobs away from the people in southeast Alaska. This is simply not true.

Since the 50-year contracts were let in the 1950s, timber industry employment in southeast Alaska grew from about 29 percent of the natural resource employment to over 50 percent in the 1970s and 40 percent in 1986.

Since the third and fourth quarters of 1986, production volume has increased 40 percent or more, and the markets are continuing to improve, creating more jobs as a result.

Forty to 50 percent of all timber harvested is turned into pulp. The remaining saw logs go to mills like those in Wrangell and Metlakatla, who could not survive without this product source.

Pulp produced by Ketchikan Pulp Company is exported worldwide. Twenty-five percent of their production goes to domestic markets, and the remaining 75 percent is exported to 16 different countries, not one receiving more than 20 percent.

Alaska Pulp Corporation in Sitka ships 15 percent of their pulp to domestic markets and about 80 percent to Japan and other Pacific rim countries. The remaining production is exported to Mexico.

We in the southeast are well aware of the timber industry, and have suffered a recessionary period during the past decade because we had all felt the economic impact of the down years. Now we are being asked to breach the long-term contracts after the pulp companies have constructed pulp mills and undertaken the risk of establishing a timber industry in southeast Alaska. They initially sustained great losses in establishing the industry and, without the long-term contractual commitment, it will not be economically feasible for them to remain in Alaska.

The timber industry cannot survive without pulp mills, and the pulp mills cannot survive without the insurance of a long-term supply of raw material. To breach the long-term contractual agreements, therefore, would in effect destabilize the industry and create a severe economic recession in southeast Alaska.

The 50-year contracts, the ANILCA compromise, the Tongass Land Management Plan, coupled with dedicated efforts of the Forest Service and the people of the timber industry, have evolved into a viable, well-managed timber industry that is compatible with all of the many facets of the Tongass.

To renege on the agreed compromise in ANILCA and to cripple the comprehensive and well-thought-out Tongass Land Management Plan is a travesty. To ask the Secretary of Agriculture to breach the long-term timber contracts is to breach the trust of all Americans in our legislative process.

The Southeast Conference urges Congress to utilize the Tongass Land Management Plan as a tool by which all users of the forest can make their concerns and fears known. A newsletter went out in every newspaper throughout southeast Alaska by the Forest Service for the forest plan revision. If time is taken to read it, there is no doubt in my mind that you will recognize that the people of southeast Alaska are going to be allowed an opportunity to help plan their future.

Please give us time. Do not legislate our future from us.

[The prepared statement of Mr. Beck follows:]

STATEMENT OF TOM BECK
ALASKA SOUTHEAST CONFERENCE
BEFORE THE SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
November 3, 1987

Mr. Chairman, members of the committee, I want to thank you for the opportunity to appear before you today. I am the Mayor of Thorne Bay, Alaska, a community of 500 people on Prince of Wale Island in Southern Southeast Alaska today representing the Southeast Conference, an organization comprised of elected officials and chamber of commerce board members representative of the majority of the communities and 95% of the population in Southeast Alaska. The Southeast Conference has been in existence and active since Alaska has been a state. Our mission has always been to promote economic diversification and develop the overall stability of the economic base in Southeast Alaska. We are mandated to represent all of the people in our communities and all of the industries in our region on issues that have any effects, positive or negative, on their lifestyle and quality of life.

Before I continue further, I would like to impress upon you that my statements today are not representative of any single interest group. We in the Southeast conference are working hard to represent all facets of our society in an honest and progressive manner. Our economic foundation evolves around timber, fishing, and tourism. The very nature of our lifestyle and environs invokes an economic, social, and physical symbiotic relationship with the Tongass National Forest. Management of the Tongass is synonymous with the lives of the 70,000 people living in Southeast Alaska because its 16.7 Million acres is literally our back yard. Therefore, any action taken by the United States Congress regarding the Tongass directly affects all of us living in the forest. Just as we have a responsibility and a right to get involved in the market place, we have a right and responsibility to get involved in any decision making process affecting our future. We need to be in the ball game, to work side by side with the bureaucracy and the Congress.

Last August we in the Southeast of Alaska had the pleasure of hosting many of you during your visit to the Tongass. I firmly believe that the trip was beneficial to those of you who came with an open mind. I sense that personal observation showed you that the alleged "Rape and Plunder" of the Tongass is more fallacy than fact.

The facts speak for themselves. Our fishing industry experienced a good year, tourism visitations increased, with greater cruise ship bookings and many more independent travelers taking advantage of the Forest Service road and trail systems to explore heretofore unavailable areas, and they thoroughly enjoyed the excellent fishing created in a large part by the many successful enhancement projects carried out by the Forest Service, the State of Alaska, and the private sector. But we are here to talk about the timber industry not about how our tourism and fishing industries have improved.

Last year we were told that the U.S. Forest Service was spending our tax money foolishly, showing a loss for its investment in the timber industry. I suggest you review the recent timber sale program information report from the United States General Accounting Office. This unbiased document clearly illustrates what the Forest Service folks in the Tongass have been maintaining all along in answer to the accusations that they were foolishly spending tax dollars on their programs on the Tongass. I submit to you, that when all of the propaganda exhuded by the adversaries of the timber industry has been properly analyzed, you will see not a mis-managed floundering industry, but a viable growing opportunity for anyone who has the foresight and intestinal fortitude to invest their time and money in the timber industry, to take advantage of the growing world markets, and to utilize the innovative methods of manufacturing that have been developed to service these markets.

I would like to quote from a statement made by Congressman Mrazek on the radio in Wrangell, Alaska. Mr. Mrazek said, and I quote, "The profit and good jobs appear to go to the pacific rim and the jobs that pay very little remain in the Tongass. I think cancelling those contracts would allow more competition within the industry certainly from the independent loggers, and it might result in the production of more finished wood products where there would be more profit and better jobs for the people of Alaska rather than just production of, for the most part, pulp for the pacific rim nations.

I believe this statement exemplifies how little is understood about the working of the timber industry in Southeast Alaska today. Those of you who visited the Wrangell Forest Products Mill in Wrangell should agree. Let me give you a little history of what has happened in this mill over the past two years.

Two years ago the Wrangell Mill was conforming to the primary manufacture law by producing cants for export. A cant, for the benefit of those of you unfamiliar with timber terminology, is a log with at least two full length cuts made by a saw. This process requires additional labor therefore creating new jobs, which is the intent of the primary manufacture law. Mill management surveyed their major markets int he pacific rim nations and found out that the traditional "Ma and Pa" mills, that in the past had been taking our cants and finishing them to dimensional planed construction lumber, were diminishing rapidly because the children of the people who were running these small mills were leaving and going to the big city, much as our farm children have done in the past two decades. Armed with this information and the obvious fact that new markets were available for finished construction lumber, mill management invested in new equipment to created the product that was now in demand. The end result was: In a two year period the Wrangell Mill is producing finished lumber for export and employment has increased from 60 jobs to the present work force of 185 and as high as 212 during peak production. Work for the longshoremen has increased dramatically as a result of increased shipping. In the past there was an average of one timber ship every two months with a capacity of 6 million board feet of cants. Presently the average is one ship per month with a capacity of 12 million board feet of planed finished lumber. In a two year period jobs at the mill have more than tripled. Shipping has quadrupled as has work for the longshoremen.

This is but one small example of the success that can be achieved in today's timber industry. This same type of progress will occur in other Alaskan mills as they take advantage of the new market trends. The opportunity is open to anyone willing to make the committment.

within the next two years, the Wrangell mill will have a whole log chipper for pulp grade timber, a kiln dry operation and a finish mill to process the end product. Conservatively, employment will increase by 100 jobs. In addition they have now opened markets in the lower 48, the first time in the history of Alaska timber industry.

How do the pulp mills fit into the picture? As early as 1900, it was recognized that for a timber industry to be established in Southeast Alaska, it was necessary, as a matter of economics, to do something with the pulp grade logs which constitute 40 to 50% of the Tongass Timber Stands. A continuing effort by the Forest Service to get the pulp industry was accomplished in the mid 1950's after congress passed the Tongass timber act of 1947. The accompanying House report for the bill welcomed the pulp mills and recognized the favorable economic impact they would bring to Southeast Alaska. The fifty year contracts were implemented because the Forest Service wanted the pulp mills to be built. To build pulp mills, it was necessary to allow mill owners to amortized their investment in pulp miss construction in the face of the enormous financial risks involved. Congress specifically reaffirmed the long term sales in Section 15(b) of the National Forest Management Act of 1976 and recognized their continuing role in the report accompanying ANILCA.

Industry critics intimate that a large portion of the timber harvest is turned into pulp and a majority of it is shipped to the pacific rim markets and in some mysterious manner is taking jobs away from our people in Southeast Alaska. This is simply not true. Since the 50 year contracts were let in the 50's, timber industries employment in Southeast Alaska grew from about 29% of natural resource employment ot over 50% in the 70's and bout 40% in 1986. Since the third and fourth quarters of 1986, production volume has increased 40% or more and the markets are continuing to improve creating even more jobs as a result. 40 To 50% of all timber harvested is turned into pulp. The remaining saw logs go to mills like those in Wrangell and Metlakatla, and who could not survive without this product source. Pulp produced by Ketchikan pulp company is exported world wide. 25% Of their production goes to domestic markets and the remaining 75% is exported to sixteen different countries with no one country receiving more than 20% of the total. Alaska Pulp Corporation in Sitka ships 15% of their pulp to domestic markets and about 80% to Japan and other pacific rim countries. The remaining production is exported to Mexico. We in Southeast Alaska are well aware that the timber industry has suffered a recessionary period during the past decade because we all felt the economic impact of the down years. Today, there is a resurgence of the industry and further employment has become year around as a result and is helping people settle in Alaska. The Forest Service is carrying out its mission in the Tongass. As new demands have been made on the forest, they have increased their ranks to meet these demands. Concepts of forest usage have changed over the years, but never the Forest Services' committment to sound management. Today, fisheries and wildlife biologists, hydrologists, foresters, soils scientists, engineers, archaeologist, landscape architects, and other dedicated professionals help to meet the need of the Tongass.

Now we are being asked to breach the long term contracts, after the pulp companies have constructed the pulp mills and undertaken the risk of establishing the timber industry in Southeast Alaska. They initially sustained great losses in establishing the industry, and without the long term contractual committment, it will not be economically feasible for them to remain in Alaska.

The timber industry cannot survive without the pulp mills and the pulp mills cannot survive without assurance of a long term supply of raw material. Therefore to breach the long term contractual agreements would in effect de-stabilize the industry and create a severe economic recession in Southeast Alaska.

The fifty year contracts, the ANILCA compromise, and the Tongass land management plan coupled with the dedicated efforts of the Forest Service. All of the people in the timber industry have evolved into a viable, well-managed timber industry that is compatable with all of the many facets of the Tongass.

To renege on the agreed compromise in ANILCA, and to cripple the comprehensive and well thought out Tongass Land Management Plan is a travesty. To ask the Secretary of Agriculture to breach the long term timber contracts is to breach the trust of all americans in our legislative process.

The Southeast Conference urges congress to utilize the Tongass Land Management Plan as the tool by which all users of the forest can make their concerns and fears known. I am submitting a newsletter that went out in every newspaper throughout the Southeast Alaska by the Forest Service for the forest plan revision. If the time is taken to read it, there is no doubt in my mind that you will recognize that the people of Southeast Alaska are going to be allowed an opportunity to help plan their future. Please give us the time. Do not legislate our future from us.

Senator **Bumpers**. A special thank you, Mayor and Mr. Privett. I assume that you have come down from Alaska for this hearing.

Mr. **Beck**. Yes, sir.

Senator **Bumpers**. That is a very long trip, and we know of your determination and dedication to this forest, the jobs that are created by it, and we are especially honored that you would take the time to come down to testify.

I apologize for your having to wait so long to do it, but we have a real plateful around here right now, and we just cannot do everything we would like and spend as much time on it as we would like.

Mr. Laschever, I hope you will give my best wishes to your governor. He is a very good friend of mine, and I am a fan of his and spent a lot of time up there with him this summer. I thoroughly enjoyed him and his wife and their company and their hospitality.

Mr. Privett, I apologize. I thought you just came along because of your good looks or something.

STATEMENT OF WILLIAM PRIVETT, FORMER MAYOR, WRANGELL, AK

Mr. **Privett**. I thank you, sir.

Senator **Bumpers**. My chart said that you were to accompany the mayor, and I thought for somebody to come all the way from Thorne Bay, Alaska just to be with the mayor was unusual. Please, I am sorry.

Mr. **Privett**. He is a very nice guy.

For the record, my name is William Privett, and I am the former Mayor of Wrangell. I am also the——

Senator **Bumpers**. Pull your mike up a little closer, if you will, Mr. Privett.

Mr. **Privett**. Thank you.

Senator **Bumpers**. You are the former Mayor of Thorne Bay?

Mr. **Privett**. Wrangell, Alaska, sir.

For the record, my name is William Privett. I am the former Mayor for Wrangell. I am also the First Vice President of the organization Southeast Conference. The message that I am bringing to Congress at this committee is simply to use the Tongass Land Management Plan as a tool by which it will enable the people of southeast to participate in their future.

One of the things in the newspaper that came out shows every community listed, even some of the ones that have only four or five or six people, and everybody is going to have an opportunity to be able to testify and bring their concerns to the Forest Service. That is the message that I would give, is to use the Tongass Land Management Plan as a tool so that we can all have a chance to speak to the future of what is going to be affecting us in southeast, and I thank you.

Senator **Bumpers**. Thank you, Mr. Privett, and thank the people of Wrangell for their hospitality this summer. We had a beautiful luncheon there. It is a beautiful city. We went through the mill, and we appreciated your hospitality. I hope you will remember me to the people up there.

Let me ask, Mayor Beck, if you can answer this. Has there ever been any demonstrated interest by the paper mill companies of this country in establishing facilities in southeast?

Mr. BECK. Beg your pardon?

Senator BUMPERS. Has there ever been any demonstrated interest, if you know, by the paper mills, International Paper, Weyerhaeuser and people such as that, to put further processing mills in Alaska? Is that not feasible, or do you know?

Mr. BECK. Not knowing all the facts, I do not think it would be feasible due to the short amount of timber that we have for harvest. We now have established enough pulp mills, I do feel, to handle it.

Senator BUMPERS. Is the pulp up there exported in pulp form? It is not processed any further?

Mr. BECK. It would not be economically feasible to ship it in round logs. It is exported in pulp form.

Senator BUMPERS. I was just curious as to whether or not Japan imported any paper products from the United States. Do you know the answer to that?

Senator MURKOWSKI. Yes, they do, Senator, but the pulp that is made in both Ketchikan and Sitka out of the process further utilized in the market area for cellophanes and specific high quality grade pulp. So it is remanufactured over there to its final utilization form.

The pulp mills originally were built to sustain a nylon market for nylon tires. At the time, that was the major utilization. Excuse me, I am sorry. It was rayon. Then rayon was replaced by nylon, so they immediately looked to other markets. Large markets are India, China.

They used to make the pulp out of Ketchikan, I can remember, as solid pieces of almost blotterlike material that you could blot ink or water with. That was the form in which it was shipped. It was dissolving pulp, and to get into the chemistry of it you need some expert witnesses.

It is fair to say that originally under the Territorial Governor Heinselman, who was at one time head of the Forest Service in Alaska when we were a territory, it was suggested that there could be a potential of four pulp mills. There were four areas set up for tentative allotment. They took southeast and divided it in fours.

There was going to be a pulp mill in Juneau, and that was bid on by U.S. Champion. That was shut down as a consequence of environmental objections and the economics.

Then there was supposed to be one in the Wrangell area, and they got a saw mill built, and that is all they ever did.

There are two pulp mills today that were built in the late 1950s or early 1960s in Ketchikan and Sitka.

Senator BUMPERS. Those are the only two pulp mills in Alaska?

Senator MURKOWSKI. Those are the only two, and there is no likelihood for any others. Believe me, nobody is standing in line to put a pulp mill in Alaska.

Senator BUMPERS. Mayor, do you have fishermen in your community?

Mr. BECK. Yes, I do.

Senator BUMPERS. How many people work in fishing compared to how many work in the timber industry?

Mr. BECK. I would say approximately 2 percent.

Senator BUMPERS. Two percent fishermen compared to 98 percent in the timber industry?

Mr. BECK. If they are not in the timber industry, they are supported by it.

Senator BUMPERS. So timber is a much bigger issue in your area than fisheries is; is that correct?

Mr. BECK. Not necessarily true. You can get to different places by boat. The fishing is still good there, if that is what you mean.

Senator BUMPERS. Mr. Privett, how about Wrangell? I saw a lot of fishing boats in Wrangell. There is a lot of fishing out of Wrangell, is there not?

Mr. PRIVETT. I would say that the Wrangell Forest Products Mill is the single largest employer in our community. I would think that roughly 30 percent of the work force is employed in fishing: gill netters, seiners, trollers.

Senator BUMPERS. Do you think that you speak for them on this issue, also?

Mr. PRIVETT. When I came back this spring and testified before the House subcommittee, I announced my plans 30 days prior to leaving, and I had not one individual in our community that lived in Wrangell say I was doing the wrong thing.

The majority of the people I spoke with were fishermen because the mill employees were working at the mill. They were not out on the streets.

I did have one individual that lives at the southern end of Wrangell Island, and he was in opposition to what I was doing, in all honesty.

Senator MURKOWSKI. Mr. Chairman, if I could just make a comment.

When I lived in Wrangell in 1962 to 1966, there was a sign on the breakwater. It said something to the effect of "a town of 2,300 happy people and a few soreheads". I implant that in the record for whatever it is worth.

Senator BUMPERS. Those two soreheads are fishermen, are they?

Senator MURKOWSKI. No, that was not the implication.

Senator BUMPERS. Just two soreheads.

Well, Senator Murkowski, do you have any questions of this gentleman?

Senator MURKOWSKI. I wonder, gentlemen, particularly Mayor Beck, if you could indicate the communities in southeastern Alaska that support this legislation you say represent 95 percent of the general population, but we understand some 13 or 14 communities for the record do not support it.

Can you give us an explanation other than people differ and different people have different views?

Mr. BECK. I think it is very easy to explain. I think you will find these 14 communities are, for the most part, extremely remote and very small in population.

Senator MURKOWSKI. That is it?

Mr. BECK. They are people that might have a hand-rowing fish boat and go out and kill a few deer and come home, grow a little garden, go out and catch a few fish, buy a sackful of flour and go up and live. That is their lifestyle. I appreciate their lifestyle. It is not the lifestyle of the majority.

Senator MURKOWSKI. Mr. Chairman, I think this is my last question.

We continually hear that logging and tourism from the standpoint of aesthetic value and fishing are not compatible. If the fish are not running, the fishermen blame the loggers. Tourists look at an area that is logged, and they say that is terrible; what are you doing, allowing this to happen?

I fly over the State of Washington about every other week and look at the clearcutting on the east side of the Cascades where it is all clearcut second growth Douglas fir and nobody bats an eye.

The experts come up to Alaska, however, and say you cannot do this, you cannot do that. I am sure you would share my observation that it occasionally does get a little frustrating.

The Forest Service in its budget, as we know, puts foresters on the ferries to advance to the tourists about the wildlife and the scenic beauty and so forth. This is part of the Tongass timber management funding of the $40 million. This is part of the whole operation of entrance and exit in and out of the Tongass.

How do you feel about this compatibility? There is not use blaming everybody and each other that there is no fish this year or blaming the logger. The general forest management practices in your area, I gather, have resulted in a road across Prince of Wales where no other road existed, the people at Craig, Klawock and Heidelberg are now hooked up by a Forest Service road from your area. Whether they want to be or not is another question.

Is that right?

Mr. BECK. Yes, it is.

Senator MURKOWSKI. How far does that road go?

Mr. BECK. I would say we have in excess of 1,500 miles of road on the Prince of Wales Island.

Senator MURKOWSKI. That is the only road that basically was ever there? There is no State road other than the State maintains that now that the Forest Service——

Mr. BECK. There never were or have been any state-developed roads except for redevelopment. It has all been put in there by the loggers.

I would like to add, also, that this does give the opportunity for any person, regardless of their physical condition, to drive the roads and observe wildlife and take in the beauty, because it is not all logged by a long way. No matter what your physical condition is, you could drive the Prince of Wales Island today and see bear, deer, martin and numerous other species.

Senator MURKOWSKI. How long is Prince of Wales Island?

Mr. BECK. For the people looking for Prince of Wales Island over there, it is the one immediately to your left.

Senator MURKOWSKI. Do you know how long it is?

Mr. BECK. One hundred fifty miles.

Senator MURKOWSKI. It is an area where you have Craig, Klawock and Heidelberg on the west coast with a population of 3,000 to 4,000 total, and now they have a road through an area that had no road before built as a consequence of the Tongass Forest Service Management Plan.

The value of that is pretty hard to determine, just like a Federal highway. What is it worth?

I have no further questions, Mr. Chairman. I would like to thank the Alaska witnesses who traveled down at great cost to observe the process, and I trust you are appropriately gratified.

Thank you, Mr. Chairman.

Senator **BUMPERS**. Mayor Beck, where is Thorne Bay?

Mr. **BECK**. If I may?

Senator **BUMPERS**. Sure.

Mr. **BECK**. Thorne Bay is located right here on Prince of Wales Island.

Senator **MURKOWSKI**. Would you show it in comparison to Clover Bay?

Senator **BUMPERS**. I know where Clover Bay is, and I remember flying over your community. Clover Bay is a little fishing place, just straight across Clarence Strait from Ketchikan. It may not be shown there. It is very small.

I just wanted to see where you were in relation to Clover Bay.

Mr. **BECK**. We had road systems now that go all the way from here all the way down to here.

Senator **BUMPERS**. While you are standing there, Mayor, and I assume you know other parts of the geography, the ugliest cut I saw in all the time I was in Alaska was not by the Forest Service but by one of the Native Corporations. It was on Admiralty Island. Who owns most of that?

Mr. **BECK**. Who owns most of the island?

Senator **BUMPERS**. Which Native Corporation has most of the timber on Admiralty Island?

Mr. **BECK**. I really could not tell you.

Senator **BUMPERS**. Do you know the answer to that?

I will not pursue that any further for the record, but I want to say that I could not imagine an uglier clearcut. I must say that. I hate to say that about any of the Native Corporations, but it was a cut that went far beyond, I thought, good timber management or ecological practices. You know, we have no control over that, either.

Gentlemen, thank you all very much for being with us. I hope you enjoy the rest of your stay here and get back home safely.

We stand in recess until the call of the Chair.

[Whereupon, at 5:54 p.m., the hearing recessed to reconvene Thursday, November 5, 1987.]

TONGASS TIMBER REFORM ACT

THURSDAY, NOVEMBER 5, 1987

U.S. Senate,
Subcommittee on Public Lands,
National Parks and Forests,
Committee on Energy and Natural Resources,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:05 p.m. in room SD-366, Dirksen Senate Office Building, Hon. Wyche Fowler, Jr., presiding.

OPENING STATEMENT OF HON. WYCHE FOWLER, JR., A U.S. SENATOR FROM THE STATE OF GEORGIA

Senator Fowler. Good afternoon. My name is Wyche Fowler. I am from Georgia, pinch-hitting here until our real chairman gets here a little bit later.

We are here today to receive further testimony on S. 708, the Tongass Timber Reform Act. Although I was not able to attend Tuesday's hearings, I understand they were extremely informative, and we all look forward to hearing the views of today's witnesses on this legislation.

Does this bill offer us a rare opportunity to combine environmentally-sound policy with fiscal responsibility? Does it upset a sensitive and inviolate compromise, reached by the Congress a few years ago?

Will its passage hurt the economy in southeastern Alaska? Or will it eliminate an economic boom manufactured by the Federal government at the expense of all taxpayers? Should Tongass be logged? Should it be preserved? Are these activities irreconcilable?

These are just a few of the questions that I hope, and we all hope, our panelists will address today. And we hope these hearings can be conducted as efficiently as possible.

Given our time restraints, I would request that witnesses try to summarize their testimony. You are all experts and very knowledgable and are very helpful to us. But to the extent you can summarize in the interests of time, so that we can have a little back and forth with you, that would be very helpful.

And of course your complete testimony, as well as any documentation that you would like to place in the record, will be placed in the record in its entirety.

I am delighted to have my colleague from Colorado, Mr. Wirth, and the Senator from Alaska, Mr. Murkowski, with us today. With that, let us begin.

STATEMENT OF HON. FRANK H. MURKOWSKI, A U.S. SENATOR FROM THE STATE OF ALASKA

Senator MURKOWSKI. Mr. Chairman, I have a brief opening statement.

Senator FOWLER. I am sorry.

Senator MURKOWSKI. Thank you very much, Mr. Chairman. I too look forward to the witnesses that we have here today, representing interested Alaskans and members of the industry as well.

This is the second hearing on legislation to repeal the Tongass Timber Reform Act. At the first hearing on Tuesday, as you indicated, Mr. Chairman, the committee heard a great deal of testimony, some of which was conflicting.

Unfortunately, the lack of consensus is not confined to the merits of the legislation before us. And I must say, there is a disturbing lack of consensus on the facts, with regard to the Tongass National Forest management program. As a consequence of today's hearings, I hope we can address some of those facts.

I am not aware of any other legislation to come before this Committee, since I have been on the committee for the last 6½ years, that has generated such a wide disagreement on the facts.

Mr. Chairman, we may ultimately disagree on the appropriate policy for the Tongass National Forest, which is certainly appropriate. But we ought to have a general agreement on the facts before we consider policy choice.

And that is what this hearing and this legislation, of course, is about. And I am indeed sorry that the Senator from Wisconsin cannot be here today. Because I think he too would benefit from the testimony that is going to be forthcoming.

Now, as you may have observed, Mr. Chairman, the basis of my strenuous opposition to this legislation is the matter of factual information which has been lacking. The proponents of the bill are asking this committee and this Congress to make a change of policy which would have, make no mistake about it, a devastating effect on a portion of my State of Alaska, specifically southeastern Alaska.

Think about it, Mr. Chairman. We are proposing to take an area one-fifth the size of the United States and close the only two industrial plants in that land mass. That is just what this legislation would do.

There are two year-round industrial plants in the State of Alaska that have been in operation continuously since the 1960's. We are talking about direct jobs in those mills and in the woods of approximately 3,000 people. And another 3,000 people in the support industries being put out of work.

I do not have to tell you, Mr. Chairman, what devastating effect that would have on the economy, the property values, the land values, the life savings of those communities. So make no mistake about it, Mr. Chairman, as we reflect on the merits of the questions at hand, whether this is a subsidy, whether it is not, what the costs are.

There is a human cost associated with this. There is a litigant cost associated with the breaking of contracts, if indeed that is what occurs. There is a change in the lifestyles of those who are dependent on this. These, unfortunately, are the facts.

Mr. Chairman, proponents of the bill are asking this committee and this Congress to make a change, as I have stated, on policy which will have an impact on a portion of Alaska.

And the unfortunate thing is they are insisting that the change be made in the darkness of ignorance, before we have a uniform foundation or set of facts on the current conditions in the Tongass. There is a process that has been established, it is underway.

I have to ask, why are we being asked to make these decisions before we have agreed on a set of facts. Now, the Forest Service has already begun the process of preparing the next Tongass Land Management Plan.

In preparing that plan the Forest Service will conduct an exhaustive analysis of current conditions in the Tongass, including holding public workshops in 36 different communities in southeastern Alaska, soliciting public input through newsletters that are widely disseminated throughout the region. This is the first effort in that regard for public consumption, Mr. Chairman.

It is dated October 1987. It includes on the back public workshops to be held during the months of October, November, and December in areas such as Angoon, Edna Bay, Elfin Cove, Hyder, Petersburg, Whale Pass, Yakutat, virtually every community in Alaska, asking for input from the people involved as a consequence of the process that is underway.

It lists, Mr. Chairman, the forest plan revision, asking for involvement. What are the issues? What are the facts of the recreation issues, the visual issues? It is the democratic process underway.

It is being paid for, Mr. Chairman, out of funds in the Tongass trust fund, the Tongass fund that we are addressing. It concerns the human and community development issues, the subsistence issues, the wilderness issues, the unique area issues, the fish and wildlife.

Mr. Chairman, I would like to submit this for the record.

Senator **FOWLER**. Without objection, so ordered.

Senator **MURKOWSKI**. When completed in 1989, the Tongass Land Management Plan will provide one comprehensive set of facts, which the public will have had input on, which this committee can rely on when deciding what changes, and I think changes have to be made, should be initiated in the Tongass.

In addition, Mr. Chairman, as you will recall, this committee in its budget reconciliation bill has already decided to make the Tongass budget subject to the annual appropriation process for the next 2 fiscal years.

Now, that is underway. That is what we are asking for. It is being done. After that, we will have the benefit of this plan, the base for decisions, we can address the issues in a realistic manner, based on knowledge and not emotion. And I suggest to you what we have before us is an emotional issue.

Given this situation, what do we hope to gain by pursuing this legislation to close it now before we have had an opportunity to examine what the facts are, to have the input from the public process.

It makes me wonder if the proponents of the Tongass Timber Reform Act do not want Congress to have accurate information, when debating the merits of their bill.

Many of the people who strongly support Senate bill 708 also supported making wilderness designations and other policy decisions in the Tongass before the original TLUMP was even contemplated.

Why do they hope to gain an advantage by relying on incomplete or inaccurate data? They are here today, both sides, helping compile this record. It is important in the democratic process that they do so. And I commend them for it.

Mr. Chairman, I do not intend to accuse anyone intentionally about misleading this committee. But I am disturbed by the amount of misinformation that continually surrounds the issue.

For example, I do not know how many of you saw CBS evening news. They ran a segment on the Tongass issue last evening. And no question about it, this is a timely issue, it is a national issue.

Now, as Dan Rather was introducing the story, he was sitting in front of a map. A map of southeast Alaska. And on the map were the words, and I quote, "Tongass National Park." Make no mistake about it.

Now, what is the inference to the American public? That we are allowing timber cutting in national parks. No question about it. Was that accidental? I do not know. But it was certainly pointed in misinformation.

And that is the point that I think is important that we understand. Maybe CBS does not know the difference between a national park and a national forest. This committee does. Those of you in the audience do.

But they certainly do their viewers a disservice by broadcasting misleading information. And that was misleading information. There is absolutely no excuse for it.

Well, I look forward to hearing the testimony today, Mr. Chairman. It is going to be very interesting. However, before we turn to that testimony, I have one more item of extreme concern to me.

When I returned to my office after yesterday's hearing, I found a flyer taped to the door. And the flyer is rather interesting. It depicts a person driving a large spike into a tree.

And the caption reads, "Do not delay, do it today." Well, it is painful, but think of it as a vaccination against logging, I guess is what it says. Why? Because we see wilderness rapidly disappearing. Immunize your favorite forest.

Mr. Chairman, I think it is appropriate that this go in the record.

Senator **Fowler**. Without objection.

Senator **Murkowski**. Mr. Chairman, I do not know who is responsible for this kind of material. I guess it is incidental.

But I do care about the many people who this kind of thing puts in danger. I know people in southeastern Alaska know what happens when a spike is driven through a tree. And that tree goes into a chip or goes through a sawmill. That steel saw splinters. There are spears of metal flying around. People can be maimed, killed.

Lastly, Mr. Chairman, the question of the Tongass, the matter of wilderness, has lacked an appropriate perception with regard to the issue of why we are in this fix anyway. We are in this fix because we added 1.3 million acres of wilderness that previously had been part of the commercial timber forest in southeastern Alaska.

If you look at the map, Mr. Chairman, you can see very vividly the light tan areas are the areas of wilderness or refuge where timber cannot be cut. The white area designates the area where the timberlands remain.

Much of that is inaccessible. Much of it is higher elevation. Much of it is glaciers and rocks. Some of it is native timber. So make no mistake about it, within the Tongass we have about 5.4 million acres in the area already set aside that is exclusive of any logging. We have about 1.3 million acres available for commercial logging. So it is not a question of not maintaining a balance.

The other issue, of course, is the reality of what do you do with the timber as a consequence of cutting, if you do not have the ability to dispose of it?

And the only value that has been identified, and no witness has appeared before this committee yet to indicate what you are going to do with 45 to 50 percent of the timber of virgin growth that is dying, that will not be utilized because of its inferior grade in the sawmills.

It simply cannot be. Its only use is wood fiber. And there are those that speak about competitiveness, if the pulp mills are shut down. And one still has to answer the question, what do you do with pulp wood?

Do you let it rot? Is it indeed like a field of wheat, it is a renewable resource that can be harvested? These are questions, Mr. Chairman, that I would hope would be answered today.

So indeed we look forward to the witnesses. Indeed we look forward to accurate information. And indeed, it is unfortunate that our national media would seek to mislead the American public on the introduction on national television on the issue, have the map of Alaska indicate a national park, Tongass National Park. Thank you, Mr. Chairman.

[The prepared statement and additional material submitted by Senator Murkowski follows:]

OPENING STATEMENT
SENATOR FRANK H. MURKOWSKI
COMMITTEE ON ENERGY AND NATURAL RESOURCES
SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS
HEARING
S.708
NOVEMBER 5, 1987

THIS IS THE SECOND HEARING ON LEGISLATION TO REPEAL THE TONGASS TIMBER SUPPLY FUND. AT THE FIRST HEARING ON TUESDAY, THIS COMMITTEE HEARD A GREAT DEAL OF CONFLICTING TESTIMONY. UNFORTUNATELY, THE LACK OF CONSENSUS WAS NOT CONFINED TO THE MERITS OF THE LEGISLATION BEFORE US. THERE IS ALSO A DISTURBING LACK OF CONSENSUS ON THE FACTS OF THE TONGASS NATIONAL FOREST MANAGEMENT PROGRAM.

I AM NOT AWARE OF ANY OTHER LEGISLATION TO COME BEFORE THIS COMMITTEE THAT HAS GENERATED SUCH WIDE DISAGREEMENT ON THE FACTS. MR. CHAIRMAN, WE MAY ULTIMATELY DISAGREE ON THE APPROPRIATE POLICY FOR THE TONGASS NATIONAL FOREST, BUT WE CERTAINTLY OUGHT TO HAVE A GENERAL AGREEMENT ON THE FACTS BEFORE WE MAKE THAT POLICY CHOICE.

THAT IS THE BASIS OF MY STRENOUS OPPOSITION TO THIS LEGISLATION. THE PROPONENTS OF THE BILL ARE ASKING THIS COMMITTEE AND THIS CONGRESS TO MAKE A CHANGE OF POLICY WHICH WILL HAVE A DEVASTATING IMPACT ON A PORTION OF MY STATE OF ALASKA. AND THEY ARE INSISTING THAT WE MAKE THAT CHANGE IN THE DARK--BEFORE WE HAVE A UNIFORM SET OF FACTS ON THE CURRENT CONDITIONS IN THE TONGASS.

I HAVE TO ASK: WHAT'S THE RUSH? WHY ARE WE BEING ASKED TO MAKE THESE DECISIONS BEFORE WE HAVE AN AGREED UPON SET OF FACTS?

THE FOREST SERVICE HAS ALREADY BEGUN THE PROCESS OF PREPARING THE NEXT TONGASS LAND MANAGEMENT PLAN. (TLMP -- PRONOUNCED "T-LUMP") IN PREPARING THAT PLAN, THE FOREST SERVICE WILL CONDUCT AN EXHAUSTIVE ANALYSIS OF CURRENT CONDITIONS IN THE TONGASS; INCLUDING HOLDING PUBLIC WORKSHOPS IN 36 DIFFERENT COMMUNITIES IN SOUTHEAST ALASKA; SOLICITING PUBLIC INPUT THROUGH NEWSLETTERS THAT ARE WIDLEY DISSEMINATED THROUGHOUT THE REGION.

(ASK TO INSERT TONGASS REVIEW IN THE RECORD)

WHEN COMPLETED IN 1989, THE T-LUMP WILL PROVIDE ONE COMPREHENSIVE SET OF FACTS THAT WE CAN RELY UPON WHEN DECIDING WHAT CHANGES, IF ANY, SHOULD BE MADE IN THE TONGASS.

IN ADDITION, MR. CHAIRMAN, AS YOU WILL RECALL, THIS COMMITTEE IN ITS BUDGET RECONCILIATION BILL HAS ALREADY DECIDED TO MAKE THE TONGASS BUDGET SUBJECT TO THE ANNUAL APPROPRIATIONS PROCESS FOR THE NEXT TWO FISCAL YEARS. AFTER THAT, WE WILL HAVE THE BENEFIT OF THE NEW T-LUMP AND WE CAN ADDRESS THE ISSUES IN A REALISTIC MANNER. GIVEN THIS SITUATION, WHAT DO YOU HOPE TO GAIN BY PUSING THIS LEGISLATION NOW?

IT MAKES ME WONDER IF THE PROPONENTS OF THE TONGASS TIMBER REFORM ACT DO NOT WANT CONGRESS TO HAVE ACCURATE INFORMATION WHEN DEBATING THE MERITS OF THEIR BILL. MANY OF THE PEOPLE WHO STRONGLY SUPPORT S.708 ALSO SUPPORTED MAKING WILDERNESS DESINGATIONS AND OTHER POLICY DECISIONS IN THE TONGASS BEFORE THE ORIGINAL T-LUMP WAS COMPLETED. WHY? DO THEY HOPE TO GAIN AN ADVANTAGE BY RELYING ON INCOMPLETE OR INACCURATE DATA?

I DO NOT INTEND TO ACCUSE ANYONE OF INTENTIONALLY MISLEADING THIS COMMITTEE, MR. CHAIRMAN. BUT I AM DISTURBED BY THE AMOUNT OF MISINFORMATION THAT SURROUNDS THIS ISSUE. FOR EXAMPLE, CBS EVENING NEWS RAN A SEGMENT ON THE TONGASS ISSUE LAST NIGHT. AS DAN RATHER WAS INTRODUCING THE STORY, HE WAS SITTING IN FRONT OF A MAP OF SOUTHEAST ALASKA WITH THE WORDS "TONGASS NATIONAL PARK" ON IT. MAYBE CBS DOES NOT KNOW THE DIFFERENCE BETWEEN A NATIONAL PARK AND A NATIONAL FOREST. BUT THEY CERTAINTLY DO THEIR VIEWERS A DISSERVICE BY BROADCASTING MISLEADING INFORMATION.

I LOOK FORWARD TO HEARING THE TESTIMONY TODAY, MR. CHAIRMAN. IT SHOULD PROVE TO BE VERY INTERESTING. HOWEVER, BEFORE WE TURN TO THAT TESTIMONY I WANT TO MENTION ONE MORE ITEM OF EXTREME CONCERN TO ME.

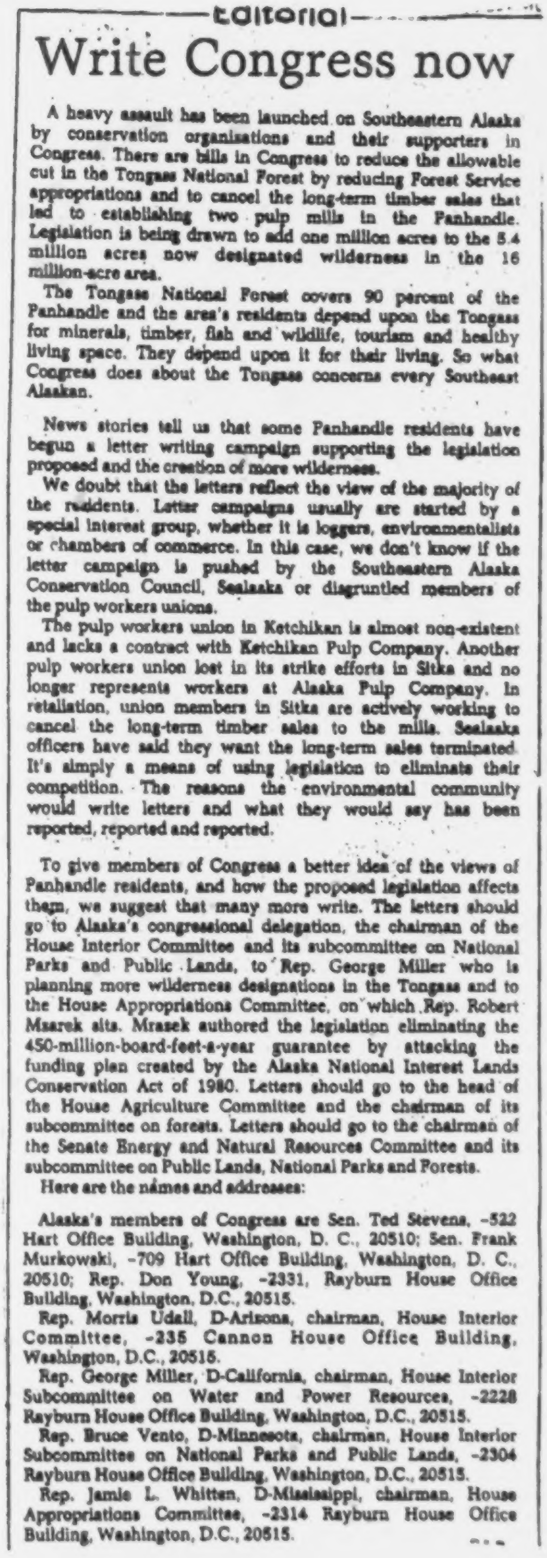
WHEN I RETURNED TO MY OFFICE AFTER TUESDAY'S HEARING, I FOUND A FLYER TAPED TO THE DOOR. THIS FLYER DEPICTS A PERSON DRIVING A LARGE SPIKE INTO A TREE. THE CAPTION READS:

"DON'T DELAY--DO IT TODAY! SURE IT'S PAINFUL--BUT THINK OF IT AS A VACCINATION AGAINST LOGGING. WHY? BECAUSE WILDERNESS IS RAPIDLY DISAPPERING. IMMUNIZE YOUR FAVORITE FOREST."

(INSERT FLYER INTO RECORD)

MR. CHAIRMAN, I DO NOT KNOW WHO IS RESPONSIBLE FOR THIS KIND OF MATERIAL AND I DON'T CARE. I DO CARE ABOUT THE MANY PEOPLE WHO ARE PUT IN GRAVE DANGER BY THE USE OF TACTICS SUCH AS THESE. AND I CONDEMN THOSE TACTICS IN THE STRONGEST POSSIBLE TERMS.

Ketchikan Daily News
11-3-87



Editorial

Write Congress now

A heavy assault has been launched on Southeastern Alaska by conservation organisations and their supporters in Congress. There are bills in Congress to reduce the allowable cut in the Tongass National Forest by reducing Forest Service appropriations and to cancel the long-term timber sales that led to establishing two pulp mills in the Panhandle. Legislation is being drawn to add one million acres to the 5.4 million acres now designated wilderness in the 16 million-acre area.

The Tongass National Forest covers 90 percent of the Panhandle and the area's residents depend upon the Tongass for minerals, timber, fish and wildlife, tourism and healthy living space. They depend upon it for their living. So what Congress does about the Tongass concerns every Southeast Alaskan.

News stories tell us that some Panhandle residents have begun a letter writing campaign supporting the legislation proposed and the creation of more wilderness.

We doubt that the letters reflect the view of the majority of the residents. Letter campaigns usually are started by a special interest group, whether it is loggers, environmentalists or chambers of commerce. In this case, we don't know if the letter campaign is pushed by the Southeastern Alaska Conservation Council, Sealaska or disgruntled members of the pulp workers unions.

The pulp workers union in Ketchikan is almost non-existent and lacks a contract with Ketchikan Pulp Company. Another pulp workers union lost in its strike efforts in Sitka and no longer represents workers at Alaska Pulp Company. In retaliation, union members in Sitka are actively working to cancel the long-term timber sales to the mills. Sealaska officers have said they want the long-term sales terminated. It's simply a means of using legislation to eliminate their competition. The reasons the environmental community would write letters and what they would say has been reported, reported and reported.

To give members of Congress a better idea of the views of Panhandle residents, and how the proposed legislation affects them, we suggest that many more write. The letters should go to Alaska's congressional delegation, the chairman of the House Interior Committee and its subcommittee on National Parks and Public Lands, to Rep. George Miller who is planning more wilderness designations in the Tongass and to the House Appropriations Committee, on which Rep. Robert Mzarek sits. Mrazek authored the legislation eliminating the 450-million-board-feet-a-year guarantee by attacking the funding plan created by the Alaska National Interest Lands Conservation Act of 1980. Letters should go to the head of the House Agriculture Committee and the chairman of its subcommittee on forests. Letters should go to the chairman of the Senate Energy and Natural Resources Committee and its subcommittee on Public Lands, National Parks and Forests.

Here are the names and addresses:

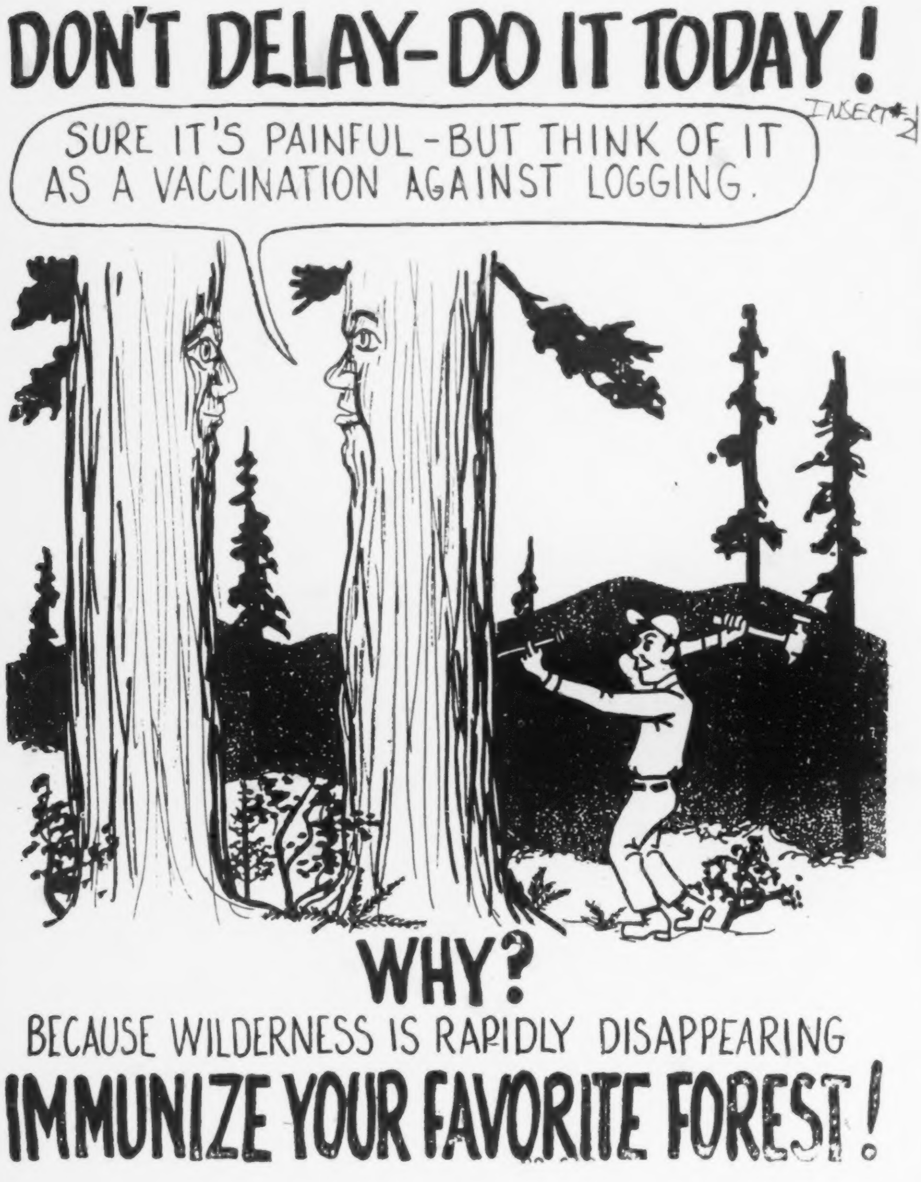
Alaska's members of Congress are Sen. Ted Stevens, -522 Hart Office Building, Washington, D. C., 20510; Sen. Frank Murkowski, -709 Hart Office Building, Washington, D. C., 20510; Rep. Don Young, -2331, Rayburn House Office Building, Washington, D.C., 20515.

Rep. Morris Udall, D-Arizona, chairman, House Interior Committee, -235 Cannon House Office Building, Washington, D.C., 20515.

Rep. George Miller, D-California, chairman, House Interior Subcommittee on Water and Power Resources, -2228 Rayburn House Office Building, Washington, D.C., 20515.

Rep. Bruce Vento, D-Minnesota, chairman, House Interior Subcommittee on National Parks and Public Lands, -2304 Rayburn House Office Building, Washington, D.C., 20515.

Rep. Jamie L. Whitten, D-Mississippi, chairman, House Appropriations Committee, -2314 Rayburn House Office Building, Washington, D.C., 20515.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IMMUNIZE YOUR FAVORITE FOREST!

INSERT #2

INSERT #1

Tongass Review

October 1987

A newsletter for the Forest Plan Revision

Inside this Issue:

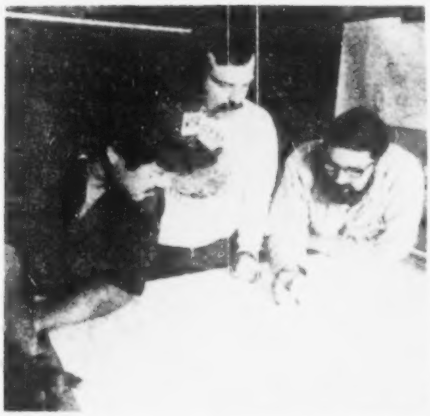
Forest Plan Revision 1
Your Involvement 1
The Revision Process 2
What are the Issues? 3
  Visual 3
  Recreation 3
  Wilderness 4
  Unique Areas 4
  Fish and Wildlife 4
  Subsistence 5
  Human and Community Development 5
  Timber 6
  Mineral/Energy Resource 6
  Land Use/Ownership 6
  Transportation/Utility Corridors 6
Who is Doing the Revision 7
Organization of the Revision Effort 7
What's Next? 8
Public Workshops 8

The Forest Plan Revision

National forest land managers, with participating publics, make difficult decisions about how to best manage public lands to provide the goods and services people want. These decisions are important and far reaching and they affect you. Decisions about how to manage the Tongass National Forest were made in 1979 when the Tongass Land Management Plan (TLMP) was implemented. To ensure that TLMP and other forest plans continue to be responsive to citizen's concerns, the 1976 National Forest Management Act (NMFA) requires forest plans to be revised on a "10 year cycle or at least every 15 years". In compliance with these regulations, TLMP is being revised.

The proposed Revision is intended to modify TLMP to reflect the recent changes that have taken place in Southeast Alaska—changes in public values, changes in market conditions, and changes in knowledge about forest management activities and resource interrelations.

TLMP and amending documents are the first in the nation to undergo a major revision. When released in December 1989, the Draft Revised Forest Plan will guide future activities in the Tongass—what resources should be given special consideration, where and how much timber should be harvested, which recreational developments should occur, to name a few.



Your Involvement

You can help influence future management of the Tongass National Forest by participating in the Revision process. In the months to come, we will use a variety of ways to give you the chance to get involved and to keep you informed about the Revision effort. The *Tongass Review* newsletter will be used to keep you up to date. There will be meetings and workshops along the way, as well. The purpose of this edition of the *Tongass Review* is to present the types of issues that might be addressed during the Revision. We have included an explanation of the 10 steps that will be followed to complete the Revision and target dates for completing each step. Also displayed is a schedule of workshops to be held throughout Southeast to give you an opportunity to ask questions about the Revision in person.

We welcome every opportunity to meet with any interested groups or individuals that want to hear more about the Revision. Please feel free to contact us any time you have ideas that will help us do a better job of involving you in the Revision process. Simply send your comments or requests to the address found on the back of this publication. Now, turn the page to find out more about the Revision and how you can get involved in the process!

The Revision Process

[illegible]

Step 1 · Identify Public Issues, Management Concerns, and Resource Opportunities. [illegible] Planning issues will become a contract between you and the Forest Service as to what is addressed during the Revision process. This first step is very important because it sets the stage for what will be considered, analyzed, and evaluated in the steps that follow.

Your thoughts will help in deciding which issues should be treated in the Revision. You can help to identify the conflicts between uses on the Forest and help suggest creative solutions. There is a lot of work to be done, and the first step is to decide just what the issues are.

Step 2 · Develop Planning Criteria. Planning criteria guide the way various steps are completed. These criteria are based on many sources including the issues you help identify.

Step 3 · Collect Resource Information. [illegible]

Step 4 · Analyze the Management Situation. [illegible]

Step 5 · Formulate Alternatives. Information gathered in the first four steps are combined and analyzed. Alternatives are [illegible]

Step 6 · Estimate Effects of Alternatives. Possible effects are estimated for each alternative. This provides you and the decision maker with a basis of comparison.

Step 7 · Evaluate Alternatives. Each alternative is evaluated and compared to determine how well it addresses the issues.

Step 8 · Recommend a Preferred Alternative. After reviewing each alternative, the Forest Supervisor will recommend a preferred alternative. With approval by the Regional Forester, a draft environmental impact statement (DEIS) and draft Tongass Forest Plan will be distributed for your review and comment. All the alternatives we looked at and their long-term consequences will be described in the DEIS. The draft Tongass Forest Plan includes only the preferred alternative, long-term consequences, and direction for implementation.

Step 9 · Approve the Revised Tongass Forest Plan. After your comments are considered, a final environmental impact statement and final Tongass Forest Plan will be developed for the Regional Forester's approval and implementation.

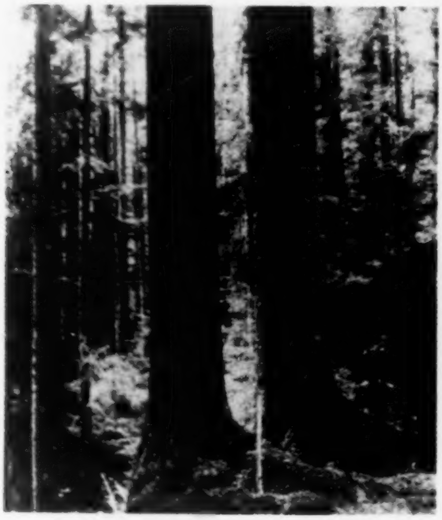
Step 10 · Monitor and Evaluate. Monitoring and evaluating, as a continuing part of the process, help determine whether the Forest direction is meeting Forest Plan goals and objectives.

Each of the 10 steps is listed below along with target completion dates.

	Step	Target Completion Date
1	Identify Public Issues, Management Concerns, and Resource Opportunities	February 1987
2	Develop Planning Criteria/Continuing	
3	Collect Resource Information	October 1988
4	Analyze the Management Situation	October 1988
5	Formulate Alternatives	January 1989
6	Estimate Effects of Alternatives	April 1989
7	Evaluate Alternatives	June 1989
8	Recommend a Preferred Alternative (Distribute Draft Environmental Impact Statement and Draft Forest Plan, December 1989)	March 1990
9	Approve the Revised Tongass Forest Plan	1991
10	Monitor and Evaluate	1991

What are the Issues?

This partial list of issues was developed from your responses to previous planning activities on the Tongass. The issues are presented in the form of questions to help generate your ideas about what should be considered during the Revision. Now its **YOUR** turn. We need to know if these issues are in fact **YOUR** issues and whether we have missed any issues important to you. Please review this partial list and advise us in writing by February 15, 1988, what issues you would like addressed. In addition, feel free to express your thoughts about other issues that you think should be considered during the Revision.



Visual Issues

The Tongass National Forest is well known for its beautiful scenery and natural environment. Maintaining this environment is reflected in increased operational costs for other activities like timber harvesting and road construction. Forest managers must decide what the proper visual quality standards should be on specific portions of the Forest.

- How should we manage the visual resource on the Tongass?

- Where are the areas having key or unique visual quality and how should these areas be managed?

- What and where are the needs for visual resource rehabilitation or enhancement?

- How do objectives for the visual resource affect other resources such as timber and wildlife?

Recreation Issues

Today, tourism is a major industry in Southeast Alaska, equivalent to both timber harvesting and commercial fishing in terms of the number of people directly employed. For some communities, tourism has helped diversify and stabilize local economies. The type and location of recreation opportunities provided on the Forest is important to the maintenance of the tourism industry in Southeast Alaska. Conflicts can result over the types and location of recreation opportunities and other resources.

- What are the demands for what types of recreation opportunities on the Tongass?

- What should be done to ensure that management direction is consistent with public demands for recreation?

- How should the Tongass be managed to provide a broad spectrum of recreation settings and opportunities?

- What recreation/resource conflicts exist and how should those conflicts be resolved?

- What criteria should be used in determining the number and location of recreation special use permits?

- What kinds of recreational facilities, services, and access should be provided by the Forest Service both directly and by private operators under special use permit?

Wilderness Issues

The issue of which lands should be classified Wilderness was addressed in the Alaska National Interest Lands Conservation Act (ANILCA). Through ANILCA, 14 areas (5.4 million acres) were added to the National Wilderness Preservation System. In addition to Wilderness, ANILCA established unroaded undeveloped release areas that are currently managed to maintain their wilderness characteristics. Final allocation of these release areas and management of the 14 existing Wilderness areas will be determined in the Forest Plan Revision.

- How should wilderness be managed?
- How should Forest lands immediately adjacent to wilderness areas be managed?
- What type of access should be provided in wilderness and where?
- Should recreation opportunities be provided in wilderness? If so, what type and where?
- Should fisheries enhancement be permitted in wilderness? If so, where?
- Should commercial activities be permitted in wilderness? If so, what type and where?
- Should additional areas of the Forest be recommended for wilderness? If so, what areas?
- Are there areas within wilderness where certain types or levels of use should be restricted? If so, where?

Unique Areas Issues

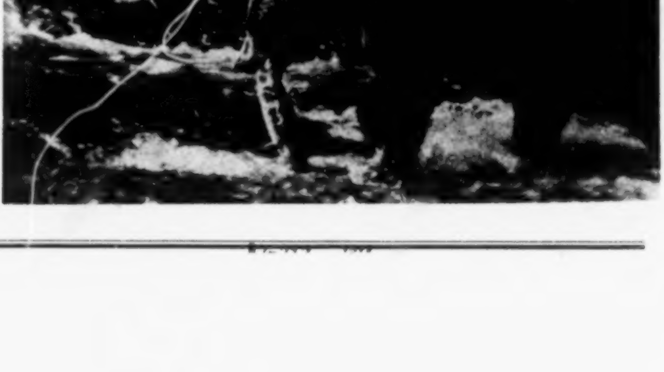
In addition to designated Wilderness, lands within the National Forest System may contain unique features that merit special management designations. Special areas include: National Recreation Areas, Wild and Scenic Rivers, National Monuments, and National Recreation, Historic, and Scenic Trails, Game Refuges, Scenic and Research Natural Areas, Archaeological, Geologic, and Paleontological Areas, and Botanical, Historical and Special Cultural Resources Areas. Candidate areas must be identified and evaluated during the Revision.

- How should existing or proposed specially designated areas be managed on the Tongass National Forest?
- What types and levels of use should be permitted in these areas?
- Are there existing special management areas where the designations are no longer appropriate and should be rescinded? If so, which areas?
- Should additional areas of the Forest be included as specially designated areas? If so, where are these areas located?

Fish and Wildlife Issues

The Tongass National Forest supports a variety and abundance of fish and wildlife species. Activities which affect habitat (trees, grass, streams, shrubs, soil, and others) can have a direct influence on fish and wildlife. Forest managers must decide how to manage fish and wildlife habitat while providing for other forest resources.

- How should the Forest Service manage fish and wildlife habitat on the Tongass?
- What fish and wildlife species should represent concerns for management? Why?
- What fish and wildlife enhancement opportunities exist on the Forest and where?
- How much, where, and how should old growth be managed for selected wildlife species?
- How should fish and wildlife habitat management be linked with the management of other Forest resources?



Subsistence Issues

Although more than half of Southeast Alaska's population resides in urban areas, subsistence hunting, fishing, trapping and gathering activities represent a major focus of life either by necessity or by choice. ANILCA directs federal land management agencies, including the Forest Service, to manage lands in a manner that will "provide the opportunity for rural residents engaged in a subsistence way of life to do so." Forest Managers must evaluate the effects of proposed management activities on subsistence uses and needs.

- What is the nature, extent, and location of subsistence use on the Tongass and where do conflicts exist between subsistence users and other users?
- What are the physical, biological, social and economic effects of Forest management activities on subsistence use opportunities?
- What is the habitat base needed to produce the desired subsistence resources in traditional subsistence use areas?
- At what point do Forest management activities begin to restrict significant subsistence use opportunities?

Human and Community Development Issues

Many communities within or adjacent to the Forest are heavily dependent upon the natural resources of the Forest to maintain their economic base. Minor changes in Forest programs can cause major changes in the economic and social structure of a community whether the economic base is logging, fishing, or subsistence.

- What should the Forest Service do to ensure that its activities compliment regional and community economic development, and maintain the kinds of lifestyles desired by the individual Southeast communities?
- What level of regional and community economic development and structure is desired by the various communities in Southeast Alaska and how can Forest management help attain these objectives?
- How is regional and community economic development and structure affected by changes in timber harvest volume, species mix, harvest intensity, harvest location and increased dependence on timber stands that are more costly to access?
- How is regional and community economic development and structure influenced by other Forest management practices such as those related to recreation and fish and wildlife management?
- How do the long term and short term timber sale contract programs affect regional and community economic development and structure? Are changes needed?
- What impact does the primary processing regulation have on regional and community economic development and structure?

Timber Issues

The Tongass National Forest has substantial timber harvest opportunities. The demand for wood products throughout Southeast Alaska has remained fairly constant over the past decade. Demand fluctuates between private and Forest timber depending on product demands. Forest managers must determine how to meet timber demands while providing for other forest resources.

- What timberlands are suitable for timber harvest and where are they located?

- What role should the Tongass Timber Supply Fund (TTSF), authorized by ANILCA, play in timber harvest economics?

- What are the effects of clearcut size, timber utilization standards, and road standards on harvest cost?

- Should some areas be unavailable for timber harvest due to other resource considerations? If so, why and where are these areas located?

- How should timber harvest activities be designed to insure adequate protection of other resource values?

- How should riparian areas adjacent to fish spawning and rearing habitat be managed?

- What are the effects of long term contract carry-over volume on future sale area layout and volume class distributions needed to meet contractual obligations?

Mineral/Energy Resource Issues

The Tongass National Forest provides a wide range of opportunities for minerals and energy resource development. In general, exploration activities on the Tongass have been increasing for precious metals, rare earths, and chemical grade industrial minerals. If world markets or political conditions change in a manner that focuses mineral/energy development on Southeast Alaska, conflicts could arise. Given the potential for resource conflicts, there is concern about how mineral and energy resource development might affect other resource values, and how best to minimize these effects.

- What areas of the Forest have the greatest potential for minerals/energy development?

- What conflicts exist between minerals/energy development and other resource uses and how should these conflicts be minimized?

- Do opportunities exist for coordinating road construction and other development activities with minerals/energy development?

Land Use/Ownership Issues

In the past 30 years there has been a variety of changes in land ownership in Southeast Alaska. The Statehood Act (1958), the Alaska Native Claims Settlement Act (1971) and ANILCA (1980) all changed the amount of land under Forest Service management. The amount of land now under private and state/local government ownership has increased substantially with additional State selections pending. Changing land ownership patterns can result in new opportunities for cooperative management.

- What actions should the Forest Service take to coordinate management activities with other land owners?

- How should the placement and location of roads, terminal transfer facilities, logging camps, recreation cabins, and other facilities be coordinated with other land owners to minimize conflicts, reduce costs, avoid duplication, and develop cooperative uses?

- How should the special use permit process be coordinated with the State of Alaska and other governmental agencies, adjacent and/or affected land owners?

Transportation/Utility Corridors Issues

Roads and terminal transfer facilities (TTFs) were designed to facilitate timber harvesting. Utility corridors carry power and water between communities in Southeast Alaska. Today, some of the Forest roads accessing island communities have been upgraded and incorporated into the State Highway system, a trend that is expected to continue in the future.

Forest managers must decide what facilities are needed to support which uses. Often new facilities are opposed by some because they are not compatible with traditional uses of the land.

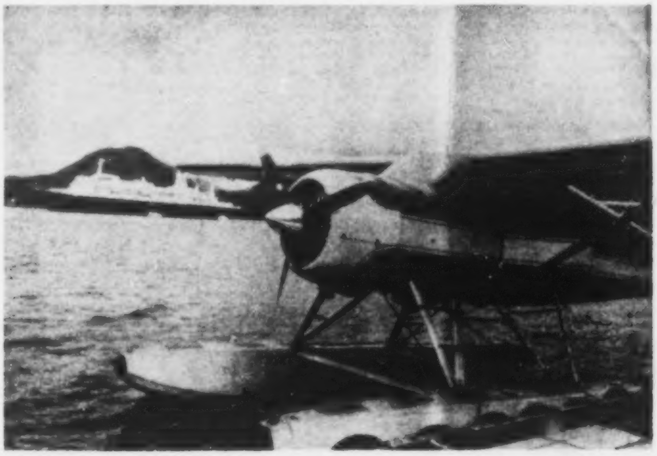
- Where should transportation systems be planned and constructed, and how should they be managed on the Tongass National Forest?

- How should utility corridors be managed?

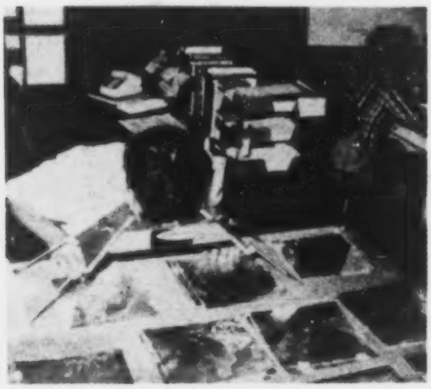
- How should the development and maintenance of transportation systems be coordinated with the needs and desires of local communities?

- Which roads should be closed to public access?

- How should access and transportation systems development on the Tongass be coordinated with other resource needs?



- How should the frequency of timber harvest activity in a given area influence road maintenance levels?



Organization of the Revision Effort

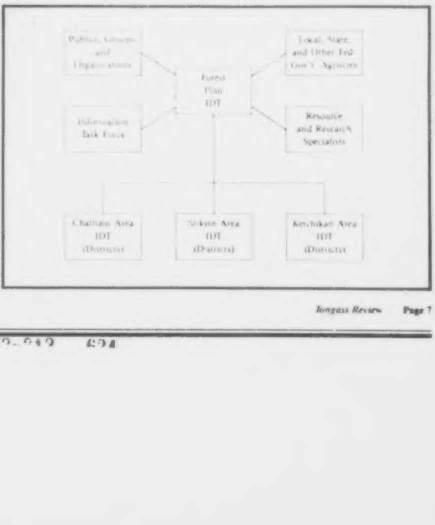
The Tongass National Forest is divided into three Administrative Areas: Ketchikan, Chatham, and Stikine. These Administrative Areas are further divided into Ranger Districts. The Revised Plan for the Tongass will address issues on all Areas and Ranger Districts. Areas and Ranger Districts, along with public, government, and research organizations, will be directly involved throughout the process to ensure the Revised Plan is responsive to local conditions. The organizational structure is designed to increase participation in the Revision process and to help ensure local ownership in the Revised Forest Plan.

Who is doing The Revision?

A team of specialists, representing all resources and disciplines on the Tongass National Forest, are working together to develop the Revised Forest Plan. By working together, this Interdisciplinary Team (IDT) and Tongass Forest managers avoid emphasizing one resource over another. Included in the IDT are:

IDT Leader
Analyst and Database Manager
Economist
Social/Public Affairs Specialist
Recreation Planner
Landscape Architect
Archaeologist
Wildlife Biologist
Fish Biologist
Timber Resource Planner
Soils and Water Specialist
Minerals Specialist
Lands Specialist
Transportation Specialist
Administrative Support

This team will be working with information from many sources, most importantly, information from interested members of the public.


Publics, Groups and Organizations
Local, State, and Other Fed Gov't. Agencies
Forest Plan IDT
Information Task Force
Resource and Research Specialists
Chatham Area IDT (Districts)
Stikine Area IDT (Districts)
Ketchikan Area IDT (Districts)

What's Next

We will be developing a final list of issues based on **YOUR** comments. The final list of issues will be displayed in a future *Tongass Review*. You can receive future editions of *Tongass Review* by contacting us at the address below. **YOUR** participation is important to us and to you. If you want further information, need answers to any question concerning the Revision, or would like to be placed on our mailing list, don't hesitate to let us know. Take time now to tell us **YOUR** issues, viewed as **YOU** want them addressed. Send your comments to:

Don Lyon, Team Leader
Tongass National Forest
Forest Plan Interdisciplinary Team
8465 Old Dairy Road
Juneau, AK 99801

Public Workshops

During the next few weeks public workshops will be held to explain the Revision process in more detail and provide you with an opportunity to ask questions in person. We scheduled these workshops to accommodate the numerous requests to wait until after the height of the fishing, logging, and tourist seasons. For some communities, dates, times and locations have not yet been set. Please watch for announcements or contact your District Ranger for scheduling.

Community	Date	Location	Time
Angoon	Nov. 3	Old City Hall	4:30 p.m.
Coffman Cove	Dec. 1	Community Center	7:00 p.m.
Craig	Dec. 7	City Council Chambers	7:30 p.m.
Edna Bay	Dec. 4	Edna Bay School	7:00 p.m.
Elfin Cove	Nov. 7	Community Hall	11 a.m.
Gustavus	Nov. 6	To be announced	
Haines	Nov. 16	City Hall	7:30 p.m.
Hobart Bay	To be announced		
Hollis	Dec. 9	Hollis School	1:00 p.m.
Hoonah	Nov. 5	City Hall	Afternoon
Hydaburg	Dec. 10	Municipal Bldg.	7:30 p.m.
Hyder	Dec. 1	Community Bldg.	7:00 p.m.
Juneau	To be announced		
Kake	Nov. 19	Community Hall	7:30 p.m.
Kasaan	Dec. 8	To be announced	7:00 p.m.
Ketchikan	Nov. 30	VFW	7:00 p.m.
Klawock	Dec. 8	City Hall	7:00 p.m.
Labouchure Bay	Dec. 2	Labouchere Bay School	7:00 p.m.
Metlakatla	To be announced		
Myers Chuck	To be announced		
Naukati	Dec. 3	Steelhead Barge	7:00 p.m.
Pelican	To be announced		
Petersburg	To be announced		
Port Alexander	To be announced		
Port Alice	To be announced		
Port Protection/Port Baker	Dec. 5	Pt. Baker Comm. Bldg.	1:00 p.m.
Saxman	Dec. 2	City Hall	7:00 p.m.
Sitka	To be announced		
Skagway	To be announced		
Snettisham	To be announced		
Sunny Cove/Saltery Cove	Dec. 3	Ketchikan Ranger Sta.	7:00 p.m.
Tenakee Springs	To be announced		
Thorne Bay	Nov. 30	Bay Chalet	7:00 p.m.
Whale Pass	To be announced		
Wrangell	To be announced		
Yakutat	To be announced		

Tongass National Forest
Forest Plan Interdisciplinary Team
8465 Old Dairy Road
Juneau, AK 99801

STATEMENT OF HON. TIMOTHY E. WIRTH, A U.S. SENATOR FROM THE STATE OF COLORADO

Senator WIRTH. Thank you, Mr. Chairman. I have a statement which I would like to, if I might, have included in the record.

Senator FOWLER. Without objection, so ordered.

Senator WIRTH. Mr. Chairman, I am glad we are having these hearings, and I thank you for agreeing to chair them. Three issues came up yesterday, and I am sure they will come up again today.

One of those is the issue of economics. What is the role of the Forest Service going to be? And are we and the Congress going to continue spending taxpayers' dollars to subsidize one industry? Or are we going to leave this more or less to some kind of free market forces?

I think we have learned in the last seven years that those free market forces are very efficient, and do a good job. And I think that the thrust of the Proxmire bill is to do precisely that.

There are those who would argue the other side of it. I think the free market side of this that we learned from Ronald Reagan is the one we want to pursue here as well.

The second issue that came up was one of balance. Can you develop an economic program that is sustainable over a long period of time. Can that be done through one extractive industry alone, or should we be looking at a balance between recreation and tourism and hunting and fishing and other sportsmen's activities as well as timbering?

The President's Commission on the Outdoors, to once again cite President Reagan, did a very good job, it seems to me, of outlining the importance of sustainable economic growth. And that is precisely, I think, the thrust behind much of what is going on here.

And the third issue that we ought to be looking at is simply one of the leadership of the United States around the world.

And if we in the United States are going to be serious about asking those in Central America not to cut their rain forest, if we are going to go to the Amazon and say to the Peruvians or the Brazilians, do not cut down the rain forest there, if we are going to go the Australians and say that that ought to be a national-international wilderness area, or go to the Indonesians and say that it is a disaster to cut down the rain forest, it seems to me that in order to do so we have to generate some kind of international leadership.

And that international leadership comes from saying that in the last virgin area, the best rain forest left in the North American continent, a rain forest which used to stretch from northern California way north, the last vestige of that, it seems to me, that we ought to protect, if for no other reason than simply to say we are standing on sound moral grounds, in terms of trying to persuade others around the world the disaster of their cutting of the rain forest.

The Senator from Alaska earlier talked about very wide disagreement on this legislation. I was struck yesterday by the very broad agreement on this legislation.

Agreement running all the way from Senator Proxmire to the National Taxpayers Union, an unexpected alliance, and agreement on the House side running all the way from Bob Dornan to Bob Mrazek.

That is the first time in the last six years both of them have been on one side of the issue, I think. I thought that there was very broad agreement on what we ought to be doing.

Finally, I would note that the legislation before us is not closing anything down. It is not shutting down any mills or eliminating jobs or abrogating contracts. All this legislation does is to say to the chief of the Forest Service, you have annual appropriation.

And if it makes sense to spend that $40 million or whatever it may be on the Tongass, go ahead and do it. And if you can justify spending the money there, versus repairing trails in Rocky Mountain National Park, or repairing roads in Mesa Verde or whatever it may be, those are bad examples because they are different accounts.

But let us say if you can do that rather than protecting the lands in the Rio Grande forest or taking on other responsibilities and forests, if Tongass is more important, fine. That is your responsibility, that is your administrative responsibility.

But we are not going to come in and tell you that you have to spend $40 million in the Tongass before you spend it someplace else. That is just good rational management.

I thank you again, Mr. Chairman, for agreeing to chair these hearings, and I look forward to hearing from our witnesses today as well.

[The prepared statement of Senator Wirth follows:]

STATEMENT OF THE
HONORABLE TIMOTHY E. WIRTH

November 5, 1987

Concerning S. 708, To Require Annual Appropriations of Funds To Support Timber Management and Resource Conservation on the Tongass National Forest

Mr. Chairman, today this Subcommittee is holding the second of two days of hearings on legislation introduced by Senator Proxmire. That legislation would do several things. First, it would make all funding for resource management on the Tongass National Forest subject to the appropriations process. Second, that legislation would repeal the provision that, in the Forest Service's view, requires it to make available for sale each year 450 million acre feet of timber. And third, Senator Proxmire's bill would ensure that the Tongass National Forest is managed like every other national forest in the United States.

I think that this legislation makes sense, Mr. Chairman, and that is why I asked Senator Proxmire to add my name as a cosponsor. The National Taxpayers Union also thinks this legislation makes sense, especially in these times of fiscal austerity. A number of conservation groups support this legislation. They have concluded that the existing statutory constraints will fail, over the long term, to create a stable logging industry. In the process, we will find that some of the greatest old growth forest in the nation will have been replaced with second growth forest -- a mere shadow of the looming, centuries old Sitka spruce, hemlock, and cedar that are found in the Tongass today. Finally, as we will hear today, many southeastern Alaska communities support this legislation, because they believe that its passage would promote more balanced economic development in that part of the state.

As I said yesterday, Mr. Chairman, I believe that it is possible to establish a constructive balance in the Tongass that includes a healthy logging industry, a growing and thriving recreation and tourism industry, and protection of one of the best salmon fisheries in the world. In order to do that, however, the Congress must take another look at how the Tongass is managed, and must make some legislative changes.

I do not think that the Congress should wait until the Forest Service revises the forest management plan for the Tongass. That document will be constrained by the law as it stands today -- which I believe is ill conceived. We will also hear today that completion of the plan by 1989 may well be impossible, given the difficulty of the assignment and the size of this national forest.

The Tongass is a spectacular national forest, and it is part of the national legacy. Its management and conservation are a matter of concern for all of us -- and for all Americans. As these hearings continue, Mr. Chairman, I hope we will be able to begin to define what legislation is needed, and I hope that we can continue to build a consensus around enactment of legislation.

Senator FOWLER. I am not sure whether I agreed to Chair it or to referee. [Laughter.]

We will try to lift that darkness of ignorance veil, and hear some facts.

Our first panel, Dr. John Schoen, the Wildlife Society in Juneau, AK, Mr. K.J. Metcalf, the Southeast Alaska Conservation Council from Angoon, AK, Mr. Gordon Williams, Alaska Trollers Association, Angoon, accompanied by Bonnie Kaden of the Tongass Tourism and Recreation Business Association in Gustavus, and Reuben Yost, city councilman from Pelican, AK, accompanied by Sylvia Geraghty. Is that right? Alaskans for Responsible Resources in Tokeen, AK. And Florian Sever, from Sitka, and Joseph Mehrkens of the Wilderness Society in Washington.

Ladies and gentlemen, especially in light of the number on the panel, as I mentioned earlier, please try to summarize your testimony. And then we will be able to have a discussion and separate the wheat from the chaff.

Dr. Schoen.

STATEMENT OF DR. JOHN W. SCHOEN, THE WILDLIFE SOCIETY, JUNEAU, AK

Dr. SCHOEN. Thank you, Mr. Chairman. My name is John Schoen. I am a Ph.D. I have worked with the Alaska Department of Fish and Game for 10 years in southeast Alaska as a research biologist studying the mountain goats, black-tailed deer, and brown grizzly bears.

I am here today on annual leave from the Department to represent the Wildlife Society, an international, scientific, and educational organization of professionals active in wildlife research, management, and education.

I have attached to this statement a set of photographs to which I will refer in my testimony. They are in your blue packet, if you might find them. Throughout North America today, old-growth forests are a rare and rapidly diminishing resource.

The coastal forest of southeast Alaska, most of which occurred in the Tongass National Forest, represent the last major expanse of old-growth, temperate rain forest on the continent.

From the photograph in figure one, you can see that old-growth is a steady-state forest, where the death and decay of old trees is balanced by the growth of new trees. Old growth forests are unique and valuable ecosystems, and can provide critical habitat for species such as the Sitka black-tailed deer, an important habitat for a variety of wildlife species, including bald eagles, brown grizzly bears, mountain goat, martin, and salmon.

In southeast Alaska, old-growth is highly variable, ranging from high-volume stands with large trees, as shown in figure one, to low-volume or scrubbed forest, like figure two.

High-volume is critical winter deer habitat, while low-volume and scrub forests are relative poor habitat. This difference is primarily related to the stands ability to intercept snow in the overhead canopy.

The photos in figures five and six were taken 50 yards apart on the same day, and demonstrate how a dense forest has less snow on the ground than a scrub forest. Though the Tongass is nearly 17 million acres, high-volume old-growth is rare.

For example, in figure seven, we see that only one-third of the Tongass is commercial forest land. High-volume old-growth makes up only 4 percent of the entire land base of the Tongass Forest. This is based on U.S. Forest Service Tongass Land Management Plan data.

Clear cutting an old-growth forest changes the ecology of the site significantly. In Alaska, clear cuts are often buried under winter snow. By 20 to 25 years, they grow into dense second-growth conifer stands.

A 60-year-old second-growth forest is shown in figure three. As you can see, it is a relatively sterile habitat, compared to the old growth in figures one and two. It takes centuries for clear cuts to develop old-growth characteristics. When cut on 100-year rotations, old-growth is non-renewable.

Please refer to figure four, an aerial infra-red photograph of Mitkof Island. Clear cuts are circled by black lines. The dotted lines surround areas cut after the photo was taken in the late 1970's.

The areas cut were the highest volume stands. The adjacent areas are low-volume, or scrub forest. Though the areas clear cut represent a relatively small percentage of the total land area, it was originally the most valuable winter deer habitat.

This selective harvest, and the fact that impacts are cumulative over time, pose significant problems for wildlife, even though only a small portion of the total Tongass will be logged in any one year.

For example, the Department of Fish and Game has predicted that under the Tongass Land Management Plan, deer populations will decline by 50 to 75 percent in over half of the watershed scheduled for timber harvest on the Tongass over the next 100 years.

The testimony on Tuesday that 70 percent of the deer habitat would remain after 100 years was based on a faulty definition of deer winter range. This is acknowledged by most working biologists in southeast Alaska.

The level of development scheduled for the Tongass will also reduce populations of brown grizzly bears. This will occur not only from habitat loss, but perhaps more significantly as a result of roads, which increase human-bear interactions, resulting in the killing of bears through legal hunting, defense of life and property, and illegal kills. Only legal hunting can be managed.

The long-term tradeoffs associated with the scheduled harvest of old-growth in southeast Alaska need to be clearly identified. The decisions made in the Tongass Land Management Plan and Alaska Lands Act need to be reevaluated in light of considerable new biological data.

The Wildlife Society believes that passage of Senate bill 708 will help improve multiple-use forest management on the Tongass by providing greater flexibility in where, how much, and what kinds of old-growth timber are harvested.

The Tongass National Forest is truly a world-class resource, a national treasure. As this forest is logged, our long-term options are irreversibly reduced. I urge this committee to study carefully the long-term management implications for the Tongass.

Your decisions will affect the opportunities of future generations of Americans for centuries to come. Thank you, and I would like to enter into the record a written statement by the Territorial Sportsmen of Alaska on this issue as well. I was asked to present this.

[The prepared statement and additional material submitted by Dr. Schoen follows. The report by the Territorial Sportsmen, Inc. appears in Appendix II.]

THE WILDLIFE SOCIETY

STATEMENT OF JOHN W. SCHOEN, THE WILDLIFE SOCIETY, ON 5 NOVEMBER 1987, BEFORE THE U.S. SENATE SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS PERTAINING TO S708, THE TONGASS TIMBER REFORM ACT

Mr Chairman and Committee Members, I appreciate the opportunity to testify before your Senate Subcommittee on this important resource issue. I am a professional wildlife biologist with a Ph. D. in wildlife ecology from the University of Washington. Over the last 10 years, I have worked for the Alaska Department of Fish and Game as a research biologist in southeastern Alaska studying the ecology of mountain goats, Sitka black-tailed deer, and brown/grizzly bears including their use of old-growth forests. I am also an Affiliate Assistant Professor of Wildlife Management at the University of Alaska. I am here today on annual leave not to represent the State of Alaska but to represent the Wildlife Society, an international scientific and educational organization of professionals active in wildlife research, management, education, and administration. Recently, I served on the Society's Ad Hoc Technical Committee which prepared a background paper and position statement on old-growth forest management in the United States. Our statement is still in the final editing process but should be available to this committee in several weeks.

I have attached to this statement a set of photographs to which I will refer in my testimony. I have also included 1) a position statement of The Wildlife Society's Alaska Chapter on old-growth forest management in coastal Alaska and 2) an Alaska Department of Fish & Game report on impacts of clearcut logging on the fish and wildlife resources of southeast Alaska.

Throughout North America today, old-growth forests are a rare and rapidly diminishing resource. The coastal forests of southeastern Alaska, most of which occur within the Tongass National Forest, represent the last major expanse of old-growth temperate rain forest on the continent. In Southeastern Alaska, old-growth forests have developed over many centuries in the absence of widespread catastrophic disturbance (e.g., wildfires, clearcutting). Old growth is a dynamic steady-state system, in which the death and decay of individual old trees is balanced against the regeneration and growth of new trees. Trees of all ages occur in old growth with age of dominant trees usually exceeding 300 years (Fig. 1). In some stands, the oldest trees are more than 800 years old, ten feet in diameter and 200 feet in height. Old-growth forests are unique and valuable ecosystems. They provide critical habitat for some species such as the Sitka black-tailed deer in Alaska and the spotted owl in the Pacific Northwest. These forests also provide important habitat for a variety of other wildlife and fish species including bald eagles, brown/grizzly bears, marten, mountain goats, river otters, Vancouver Canada geese, many forest birds, and several species of anadromous salmon.

In southeastern Alaska, old-growth forests are highly variable ranging from high-volume stands on productive sites (Fig. 1) to low-volume and scrub-forest stands (Fig 2). These stands also vary in their value as wildlife and fish habitat. For example, high-volume old growth is critical winter habitat for deer while clearcuts, forest openings, and low-volume and scrub-forest sites are poor winter habitat. The difference is primarily related to the stand's ability to intercept snow in the overhead canopy. The photos in Figures 5 & 6 were taken 50 yards apart on the same day and illustrate the difference in snow depth and availability of deer forage in an opening versus under a forest canopy. Though the Tongass is nearly 17 million acres, much of the land base is composed of nonforested muskeg, alpine, rock, and ice, or scrub forest. While one third of the Tongass is classified as commercial forest land, only 4% of the entire land base is made up of high-volume old growth (Fig. 7).

Clearcutting an old-growth forest changes the ecology of the site significantly. Though young clearcuts may provide productive habitat for some species in some regions, in Alaska they are often buried under snow during winter. Twenty to twenty-five years after cutting, young conifers dominate the new forest and shade out most other plants. The environment within the dark, even-aged, second-growth forest is relatively sterile habitat for plants and animals (Fig. 3). These conditions generally persist for a century or more, thus the ecological conditions found in old growth are essentially nonrenewable when stands are cut on 90 to 125 year rotations (the standard timber rotation on the Tongass). To date, there is little evidence that old growth can be recreated in less than several centuries, or that we can significantly improve the winter habitat value of second growth for deer in Alaska.

Thus, as old growth is harvested on the Tongass, a rare and valuable ecosystem is being eliminated and forest diversity reduced. Also, populations of many species including Sitka black-tailed deer, brown/grizzly bear, and bald eagles will decline. This problem is further compounded by the fact that a high proportion of the most valuable high-volume old-growth stands have already been cut and the remaining stands are being cut at an accelerated rate compared with the rest of the forest.

In Figure 4, an aerial infrared photograph of Mitkof Island shows the distribution of clearcut areas relative to other forest and nonforest land types. This selective harvest of the highest-volume stands leaves only low-volume and scrub forest as habitat for old-growth dependent species. The dotted lines encircle areas where cutting occurred after the photograph was taken in the late 1970's. Selective harvests like this will have a significant impact on Sitka black-tailed deer populations, particularly during deep snow winters. Though it is true that only a small percentage of the vast Tongass Forest will be logged in any one year, the impacts to wildlife are cumulative and much of the logging occurs in the relatively rare high-volume old growth which is also some of the highest value wildlife habitat.

The Department of Fish and Game has predicted that, under the Tongass Land Management Plan, deer populations will decline by 50-75% in over half of the watersheds scheduled for timber harvest on the Tongass during the next 100 years. This will have a significant impact on hunting and other recreational opportunities. The level of development scheduled for the Tongass will also reduce brown/grizzly bears not only from habitat loss but also as a result of increased human-bear interactions resulting in the increased killing of bears through legal hunting, defense of life and property, and illegal kills. Only legal hunting can be effectively managed.

Though it is often convenient to focus on high-profile wildlife species, we also need to recognize that old-growth forests are valuable in their own right as unique and productive ecosytems. The long-term, cumulative tradeoffs associated with the scheduled harvest of old growth in southeastern Alaska need to be clearly identified. In the years since implementation of the Tongass Managment Plan and the Alaska

National Interest Lands Conservation Act, considerable new data have been collected. It is time to reevaluate those decisions in light of this new information. The Wildlife Society believes passage of S708 will help improve multiple-use forest management on the Tongass by providing greater flexiblity in where, how much, and what kind of old-growth timber is harvested.

The Tongass National Forest is truly a world class resource -- a national treasure. As this forest is logged our long-term options are irreversibly reduced. I urge this committee to study carefully the long-term management implications for the Tongass. Your decisions will affect the opportunities of future generations of Americans for centuries to come.

FIG. 1

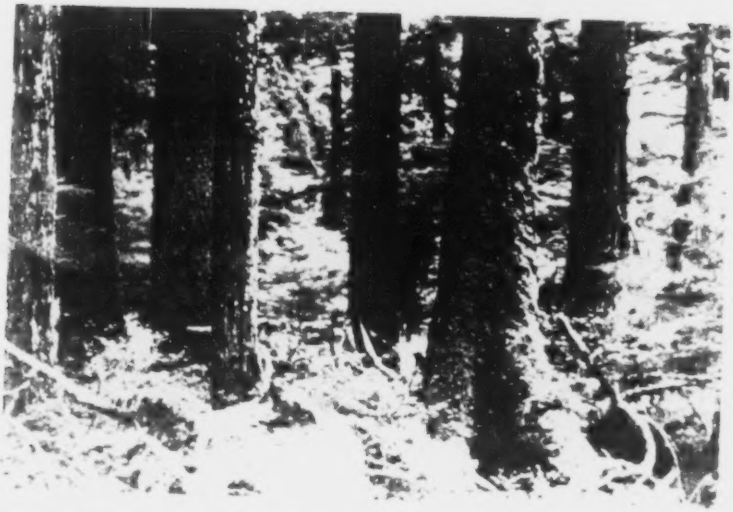


Fig. 1. High-volume old-growth forest. This uneven-aged forest includes old, large-diameter Sitka spruce and western hemlock trees generally found on productive, low-elevation sites. The upper canopy of this forest is broken and multi-layered. This allows penetration of sunlight resulting in a diverse and productive forest-floor plant community required [illegible] by deer and other herbivores. The upper limb structure of this forest intercepts sufficient snow during winter to provide low-snow or snow-free feeding sites for deer and other [illegible]. High-volume old growth (greater than 30,000 board feet per acre) is scarce in Southeast.

Fig. 2. Low-volume or scrub old-growth forest. This stand, too, is an uneven-aged old-growth forest. In contrast to the high-volume stands, however, these stands occur on low productivity, poorly-drained sites and are much more abundant on the Tongass. They are characterized by short, small-diameter trees and brush. Because these stands accumulate large amounts of snow, they are poor wintering sites for deer.

FIG. 2

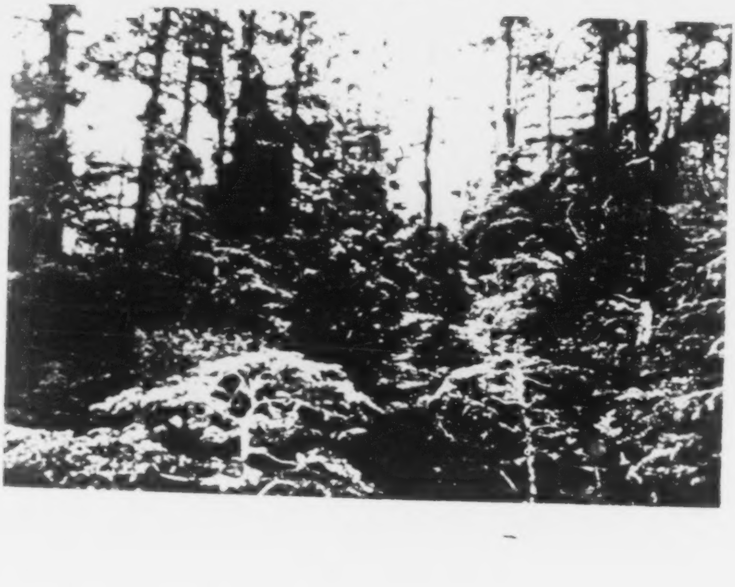


FIG. 3

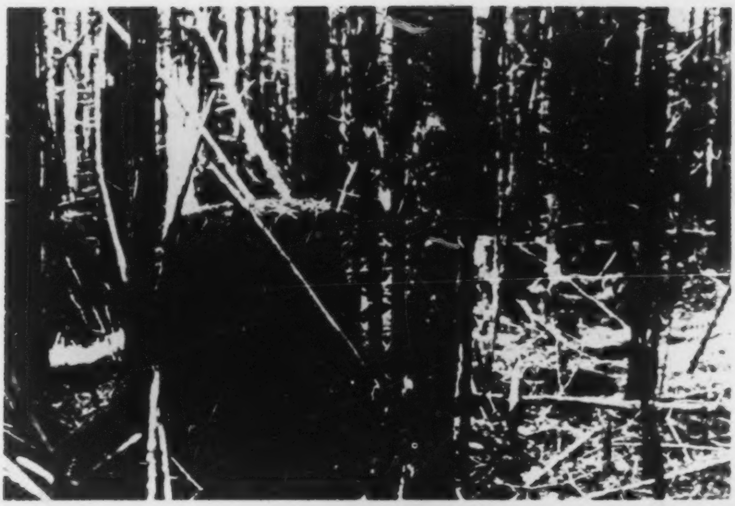


Fig. 3. **Second-growth forest.** This is an even-aged second-growth stand created by clearcutting over 60 years ago. The trees are even aged, evenly spaced, and the thick canopy of branches blocks out most sunlight. Because little sunlight reaches the forest floor, few green plants are capable of growing there. The result is a relatively homogeneous, sterile habitat for most wildlife species. Clearcut sites develop into dense second-growth stands in about 25 years after cutting and remain relatively poor habitat for well over a century.

Fig. 4. Aerial infrared photograph of Mitkof Island, Southeast Alaska, showing distribution of clearcuts (outlined in black) relative to natural forest diversity. All sites clearcut were mid- to high-volume old-growth stands. Observe that most uncut areas (retained as old growth) are scattered, occur at higher elevations, or are either low-volume or scrub forest stands.

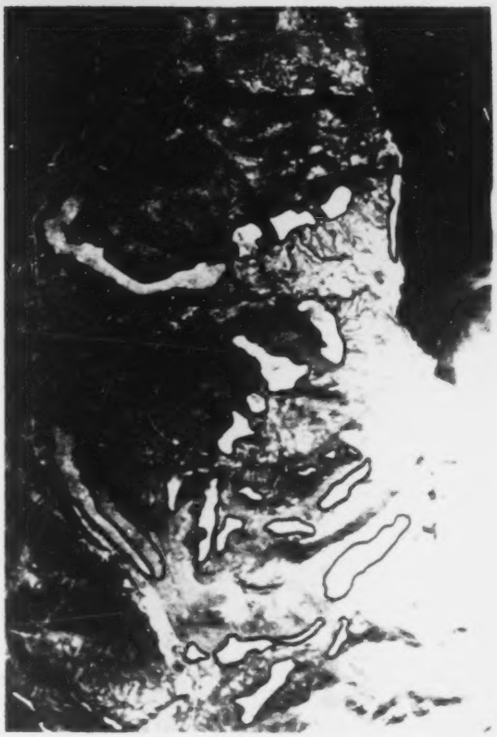


FIG. 4

FIG. 5

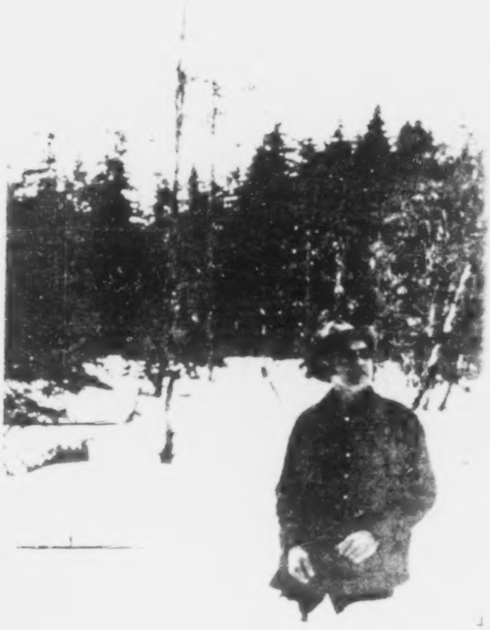


Fig. 5. **Deep snow in a forest opening.** This photograph was taken during March near sea level on Admiralty Island. Observe the hip-deep snow throughout the opening and contrast this condition to the photo (Fig. 6) taken the same day, 30 yards away, under a forest canopy.

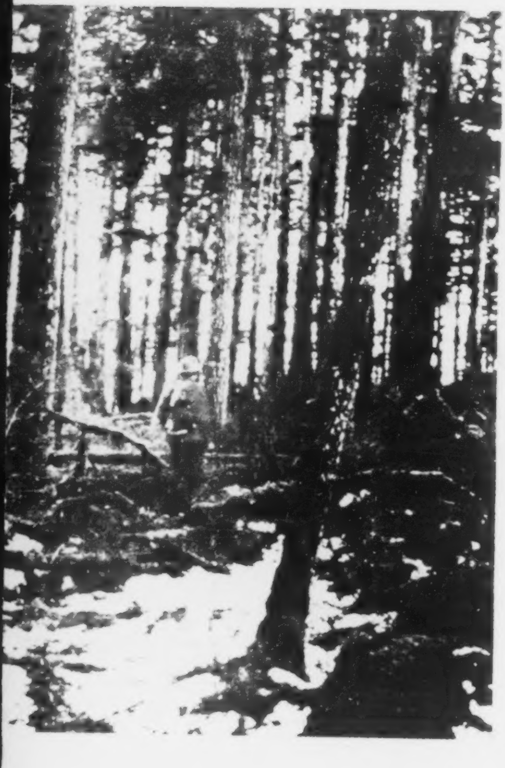


FIG. 6

Fig. 6. Low snow accumulation under a forest canopy. The high broad canopy of trees intercept much snow and reduces depths on the forest floor. The result is an environment where winter food plants are much more available to deer and other wildlife than in clearcuts or natural forest openings (e.g., Fig. 5).

FIG. 7

TONGASS NATIONAL FOREST LAND TYPES

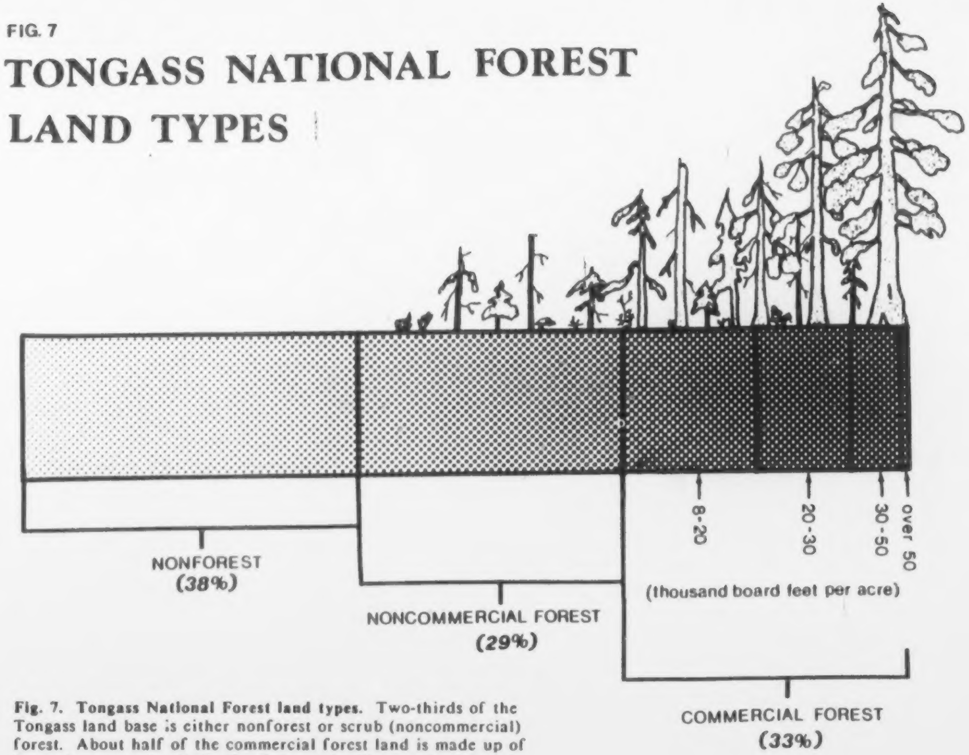


Fig. 7. Tongass National Forest land types. Two-thirds of the Tongass land base is either nonforest or scrub (noncommercial) forest. About half of the commercial forest land is made up of low-volume stands. Only 4% of the entire Tongass land base is composed of high-volume old growth (stands greater than 30,000 board feet per acre). Though the relatively rare high-volume old growth represents some of the most valuable wildlife and fish habitat, it is also most highly sought after by the timber industry.

THE WILDLIFE SOCIETY

ALASKA CHAPTER

POSITION STATEMENT
OF
THE ALASKA CHAPTER OF THE WILDLIFE SOCIETY
OLD-GROWTH FOREST MANAGEMENT IN COASTAL ALASKA

June 1985

Old-growth forests are a rare, and rapidly diminishing resource throughout North America. Characterized by climax stands with old (more than 300 years), large-diameter trees and snags, productive understories, and structurally diverse overstories, old-growth provides important habitat for many species of wildlife and fish. The coastal forests of southeast and southcentral Alaska represent the last major expanse of old-growth remaining in the United States. In coastal Alaska, over 90 percent of the old-growth occurs on public lands administered by the USDA Forest Service. Most of the remaining old-growth lands are managed by the State of Alaska Department of Natural Resources and private Native corporations.

The 16 million acre Tongass National Forest in southeast Alaska is the largest National Forest in the United States. Approximately 4 percent of the Tongass (635,000 acres) consists of high-volume, old-growth stands with over 30,000 board feet of timber per acre (30 mbf/acre). These stands, commonly found at low elevations and along broad valley bottoms, are high quality habitat for certain wildlife species; they are also commercially important timberland. The balance of the forestland consists of either noncommercial (less than 8 mbf/acre) or lower volume timber stands (8-30 mbf/acre). These lands are less subject to conflict between logging and wildlife because of their relative abundance and low commercial value.

To date, about 360,000 acres of the Tongass, and 40,000 acres of State and private land have been harvested by clearcutting. About 2 million acres of the Tongass, and an undetermined amount of State and private lands are planned for harvest over the next 100 years. Cutting as scheduled will concentrate on high-volume old-growth, with over half of the forest's highest volume class (greater than 50 mbf/acre) scheduled for harvest over the next 40 years.

Old-growth forest provides important habitat for many species of fish and wildlife throughout southeast and southcentral Alaska. Research over the last 15 years in the Pacific Northwest, British Columbia, and Alaska presents strong evidence that cutting old growth adversely affects black-tailed deer populations, and may impact other species such as marten, river otter, brown bear, mountain goat, moose, bald eagle, blue grouse, several species of cavity-dwelling birds, and some small mammals. The importance of old-growth forest as fish and wildlife habitat has been documented in symposia held in Juneau in 1978 and 1982 and has been reported in numerous publications.

Clearcutting replaces diverse, uneven-aged stands having high habitat value, with clearcuts and even-aged second-growth stands of low diversity and low value for many wildlife species. Based on present knowledge, it is not possible to significantly enhance second-growth for wildlife; 200 to 300 years are needed for second-growth to acquire old-growth characteristics naturally. Old-growth is essentially a nonrenewable resource.

The old-growth rain forests of coastal Alaska represent a unique ecosystem of national significance, deserving of careful and far-sighted planning. Adequate and representative old-growth habitat must be maintained to meet present and future demands for wildlife, fisheries, and recreation. Towards that goal, the Alaska Chapter of The Wildlife Society makes the following recommendations on old-growth forest management in coastal Alaska:

1. Management of the Tongass National Forest should comply with the National Forest Management Act (NFMA).

   Although the NFMA was passed by Congress in 1976 and the Final Environmental Impact Statement for the Torgass Land Management Plan (TLMP) states, "A revision (of TLMP) will be completed before 1983 to fully implement the requirements of the National Forest Management Act", the provisions of NFMA have not yet been implemented. The NFMA and its Regulations contain important provisions for wildlife and fish resources to achieve full and effective representation in forest planning. These provisions, if applied on the Tongass National Forest now, provide excellent opportunity to serve wildlife and fish planning needs in the revision of TLMP, and in implementation of the revised plan. The Chapter recommends that the Forest Service make full use of provisions contained in the Regulations, so that full compliance with NFMA is achieved as soon as possible.

2. The Forest Service, the Alaska Department of Fish and Game, and other cooperating agencies should identify the levels of fish and wildlife desired by the public.

   The Departments of Fish and Game and Natural Resources, the U.S Fish and Wildlife Service, and the Forest Service should develop and implement a process which enables the public to identify desired levels of fish and wildlife populations on specific management areas. Public desires must be reflected in resource allocations.

3. The Forest Service and the Department of Fish and Game should develop an education program to inform the public about the long term consequences for wildlife and fish resulting from harvesting old-growth forests in coastal Alaska.

4. The disproportionate harvest of high-volume, old-growth classes should cease.

   To maintain the natural diversity of the coastal forest, the proportional harvest of high volume old-growth stands (greater than 30 mbf/acre) should not exceed the proportional occurrence of those stands on the forest.

5. A cooperative process should be developed by the appropriate resource agencies to identify specific old-growth stands with exceptional fish and wildlife values and specify management direction, including the option of no harvest, to protect those values.

6. The Forest Service and the Department of Natural Resources should improve the accuracy and availability of timber harvest and resource inventory records for public lands.

   The Chapter encourages the Forest Service and Department of Natural Resources to develop applications of existing inventory data, and supplement existing data where needed, to adequately serve planning and management needs of wildlife and fish resources.

7. The planning and decision documents of the Forest Service and Department of Natural Resources should display the cumulative effects of forest management on fish and wildlife resources.

   Because the impacts of clearcut logging are cumulative over time, land management plans should explicitly address the resource goals and objectives for a given area over the entire rotation period (100 years). Long-term and cumulative impacts of timber management on fish and wildlife resources should be displayed in 5 year operating plans as well as overall forest planning.

8. The Forest Service should incorporate the special management needs of island wildlife populations in management plans throughout coastal Alaska.

   Some species occurring on islands have special biological characteristics, such as restricted gene flow, lower genetic diversity, reduced dispersal and immigration rates, and therefore increased vulnerability to the habitat fragmentation brought on by logging. These problems should receive special consideration in forest planning.

9. The Forest Service and the Department of Natural Resources should assess all effects associated with the development and use of road systems on wildlife and fish.

   Building roads in undeveloped areas may reduce the value of those areas for certain wildlife species through habitat degradation and human disturbance. These effects need to be explicitly addressed in the planning process. Management of public access should be an integral part of transportation plans. The input of the general public and resource management agencies should be solicited during the development of region-wide and area-specific transportation plans.

10. The U.S. Forest Service and the Alaska Department of Natural Resources should evaluate the economics of all resource uses.

The economic benefits derived from commercial and sport fishing, guiding, hunting, trapping, viewing, and tourism are not presently included in the economic analyses of timber harvest. A process should be developed to evaluate long-term economic costs and benefits for these resource uses as well as for timber harvest.

The Alaska Chapter of The Wildlife Society wishes to be formally involved in review of management plans for both State and Federal forest lands throughout coastal Alaska to ensure the plans consider wildlife and fish resources equally with other resources and are consistent with the recommendations stated herein.

Alder-choked logging roads.

Sitkoh Lake on Chichagof Island.

Clear-cut in the mid-1960s.

Photograph by Jay Nelson, SEACC.
1987

Southeast Alaska Conservation Council
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BEACH LOGS IN SOUTHEAST ALASKA

Subsidy Dollars Cast Adrift

Abandoned logs litter thousands of miles of Southeast Alaska's beaches, and their saw-cut ends clearly indicate their timber industry origin.

A US Forest Service study done five years ago estimated the volume of beach logs here at 200 million board feet, or about three-quarters of the average annual timber harvest from the Tongass National Forest. Beach logs are found throughout the region, and their concentration on affected beaches is typically 200,000 board feet per mile. That such a massive quantity of timber has been wasted is clear evidence that timber on the Tongass in under-valued and over-subsidized.

Southeast Alaska is a large oceanic archipelago, which makes salt water transportation and storage of rafted logs convenient. To form a raft, logs are banded together to form bundles, and a large rectangular ring of "boom logs" is filled with floating bundles. A typical raft is 70' x 560' and might contain up to 600,000 board feet of logs. The rafts are moved with tow boats, several rafts at a time, over distances sometimes exceeding 250 miles.

- MORE -

Most beach logs were lost from rafts. Whole bundles can be pushed under a boom log, and eventually wash up on a beach and break apart. Bundles inside a raft can also break apart, and the loose logs are easily washed out. Entire rafts are sometimes break-up or are lost.

Because it is cheaper to cut new, heavily subsidized timber, the industry has made essentially no effort to recover lost logs, nor has it taken effective measures to prevent losses in the first place.

The companies primarily at fault are the two holders of 50 year contracts for Tongass timber - Alaska Pulp Company (wholly Japanese owned) and Louisiana Pacific Ketchikan. Log brands can be used to trace ownership of logs. A brand is required by Alaska law on all logs put in the water, but the law is not enforced and is increasingly ignored.

Abandoned logs on Southeast Alaskan beaches are evidence of what is probably the most massive series of violations of the Rivers and Harbors Act of 1899 in its history. The Act prohibits disposing of "any refuse matter of any kind or description whatever" from any vessel, floating craft or mill site. Case law has established that the meaning is clear and unambiguous, and that the act pertains to anything which has become waste, even if not thown away intentionally. Incredibly, there has been no attempt to enforce the act in this situation.

Beach logs represent public timber resources exploited to nobody's benefit, highly valued non-timber forest resources needlessly damaged or destroyed, and subsidy dollars cast adrift by the industry they were intended to support. The logs are also a hazard to navigation and they damage beaches and coastal wetlands.

Beach logs are a symptom of fundamental problems with forest management on the Tongass National Forest, and current legislation before Congress is intended to address those problems.

STATEMENT BY THE TERRITORIAL SPORTSMEN OF JUNEAU, ALASKA
ON MANAGEMENT OF THE TONGASS NATIONAL FOREST

Hearings on S. 708, The Tongass Timber Reform Act by U.S. Senate Subcommittee on Public Lands, National Parks, and Forests

November 3 and 5, 1987

Submitted by Jack W. Lentfer, Chairman, Logging/Wildlife and Fisheries Committee, Territorial Sportsmen

The Territorial Sportsmen of Juneau, Alaska is a conservation organization with interests in sportfishing, hunting, and the wise use of natural resources. We have approximately 1400 members and have been in existence for more than 40 years. We thank you for holding these hearings on management of the Tongass National Forest in southeast Alaska.

The Territorial Sportsmen are not opposed to logging and support sound development which enhances the economy of Alaska. We have carefully considered the logging issue and have produced a comprehensive report on effects of logging on wildlife, fisheries, and economics in southeast Alaska, which is included with this statement.

Another Alaskan organization, the Alaska Outdoor Council, has endorsed this report. The Outdoor Council is composed of 47 outdoor-oriented organizations with more than 10,000 members throughout Alaska. Interests of this group are diverse; its members include, among others, archers, falconers, trail riders, cross-country skiiers, kayakers, dog mushers, hunters, trappers, and fishermen.

As you consider S. 708, the Territorial Sportsmen would like you to be aware of present forest management practices on the Tongass, how they are affecting wildlife and fisheries populations and habitats, and some of the public value tradeoffs. A few points from the Territorial Sportsmen's report are highlighted as follows.

The Tongass Forest makes up 93 percent of southeast Alaska. Four percent has commercially valuable old-growth timber (more than 30,000 board feet per acre). This 4 percent also has the highest

Territorial Sportsmen, Inc., P.O. Box 761, Juneau, Alaska 99802

fish and wildlife values. Logging is concentrated in the high volume classes; one-half of the highest volume class (50,000 board feet per acre) had been cut by 1981, and under present cutting plans, half of the remainder will be gone within the next 40 years. Because high-volume, old-growth forest is so limited, comparisons of total forest acres logged and left unlogged have little meaning.

After an area has been logged, it does not again attain old-growth characteristics for several hundred years. Present harvest schedules call for rotational clearcutting at about 100-year intervals. Thus, once an area is entered into a cutting schedule, old-growth habitat with its high wildlife values is permanently eliminated.

Sitka black-tailed deer are the most abundant and widely distributed recreational and subsistence hunting species in southeast Alaska. The main factor limiting populations is availability of food in winter. Logging, with its removal of canopy cover provided by old-growth trees, allows much more snow to accumulate on the ground and makes food unavailable. About 30 years after logging, densely growing second growth shades out understory plants which provide prime deer forage.

The Alaska Department of Fish and Game and the U.S. Forest Service have intensively studied effects of logging on deer. Predictive models using new information developed since the Alaska National Interest Lands Conservation Act (ANILCA) indicate that, under present cutting plans, deer numbers in many popular hunting areas will be reduced by 60 to 80 percent by the end of the first 100-year rotational cutting period. Forest-wide, after the first rotation period, deer numbers will be reduced by more than 40 percent. It is possible to modify cutting plans and carefully select areas to be logged so that impacts to deer would be less severe.

Other wildlife species affected by logging, road-building, and associated activities include brown bear, black bear, mountain goat, moose, marten, mink, river otter, bald eagle, Vancouver Canada goose, and other birds.

Fish, a highly valued commercial and recreational resouce, can be adversely affected by logging. Some studies indicate, that with proper safeguards, short-term effects of logging on fish streams can be minimized. However, environmental conditions vary throughout southeast Alaska, and additional studies may be necessary since findings in one area do not necessarily apply in many other areas. Long-term effects of logging on stream habitat and fish populations are generally unknown.

Shellfish (crabs and clams) are affected by log dumping and rafting in the biologically rich waters of protected bays. Bark accumulates on the bottom, smothering organisms and depleting oxygen.

Logging can affect a number of guided recreational activities, including hunting, fishing, photography, marine cruising, kayaking, and river rafting, many of which are contributing significantly to the economy of southeast Alaska. As an example, the guided hunting industry brings between $750,000 and $1,000,000 into southeast Alaska annually. The largest component is brown bear guiding. Most brown bear guides say that clearcut logging is completely incompatible with guided hunting and that the same number of guides and hunters are being squeezed into a smaller and smaller hunting area as logging and human settlement continues.

Effects of timber harvest are cumulative, and cutting schedules should be examined in terms of their impacts on habitat and other values over the course of one or two cutting cycles, i.e., 100 to 200 years.

The Alaska Department of Fish and Game (ADF&G) has consistently been on record for more protection of fish and wildlife habitat than is provided at present by the Tongass Land Management Plan (TLMP), which provides the same timber harvest base as ANILCA. During the TLMP review period the Department stated that economics of timber harvest as it affects guiding, trapping, and viewing of wildlife should be analyzed along with economics related to timber industry jobs. To attain a balanced resource allocation, the ADF&G recommended certain alternatives be adopted for TLMP. The recommended alternatives were rejected for the final TLMP, and a more intensive timber harvest plan was adopted.

More recently the ADF&G requested deferral of logging in 70 management areas with exceptionally high fish and wildlife values until TLMP is revised in 1989. The 70 management areas are out of a total of about 820 on the Tongass Forest. This request was not honored, even in a time of depressed timber markets and reduced harvests. This illustrates the severe conflict between existing allowable cutting levels and habitat concerns of the Alaska Department of Fish and Game.

Another concern is that Tongess Forest management does not comply with the National Forest Management Act of 1976 (NFMA), although the Tongass Land Management Plan states that the Plan would be in compliance with NFMA by 1983. Full implementation of NFMA would provide much protection to habitat and wildlife populations. One of the directives of NFMA is to revise the 50-year timber sales contracts in Alaska to make them consistent with the guidelines and standards provided by the Act.

With regard to specific aspects of S. 708, we are not opposed to the forest industry being subsidized in Alaska. We do have suggestions for changes in the way funds are spent, however. First, we believe that emphasis should change from large-scale exporting of minimally processed logs to manufacturing of finished wood products. We envision a number of relatively small, independent, labor-intensive operators producing finished dimensional lumber and perhaps even some of the new high technology wood products being developed by the building industry. Additional processing in southeast Alaska would allow a comparable level of economic return from a reduced timber harvest. With regard to use of funds, we believe it is appropriate for the Government to aid in establishment of a labor-intensive forest products industry in southeast Alaska.

Another spending change we would suggest is for additional pre- and post-logging studies over representative habitat types. A third spending suggestion is pre-roading into lower volume stands so as to make these stands economical to log and thereby reduce the cut on higher volume stands.

As an alternative to mandatory timber harvest levels, we suggest a periodic review (perhaps every five years) to consider timber industry needs along with needs for other forest values as the basis for timber harvest level adjustments.

In summary, the Territorial Sportsmen wish to point out that clearcut logging in southeast Alaska is permanently converting high-volume, old-growth forest with high wildlife values to second growth stands of much less value to wildlife. Long-term effects of logging on fish habitat and populations are unknown. Present planning and management processes have not given adequate consideration to values other than timber harvesting. We believe the public, lawmakers, and forest managers should be fully aware of tradeoffs associated with present management practices on the Tongass National Forest. The question is not whether logging should occur, but whether it should be concentrated in the limited higher volume old-growth stands at the expense of other forest values, whether the mandated cutting levels can be sustained, and whether the existing planning systems and Federal subsidies are being utilized so as to minimize the adverse effects to other equally important forest values.

Senator **Fowler**. We will be glad to include that, Dr. Schoen. Thank you for your summary.

In the interest of trying to accommodate several schedules, I am going to ask Mr. Mehrkens of the Wilderness Society in Washington to speak next.

STATEMENT OF JOSEPH R. MEHRKENS, ECONOMIST, THE WILDERNESS SOCIETY

Mr. **Mehrkens**. Thank you. Members of the committee, I am Joseph Mehrkens, an economist with the Wilderness Society. I appreciate the opportunity to appear before you, and on behalf of the society's 190,000 members.

My testimony supports the Tongass Timber Reform Act. Prior to joining the Wilderness Society this October, I worked for the Forest Service for 17 years. Over the last 12 years I worked in Alaska, first as a forest hydrologist on the Stikine area of the Tongass National Forest, and secondly as their regional economist at the Juneau office.

My primary responsibilities as regional economist is to help prepare congressional information required under the Alaska Lands National Interest Act, and these came under two series of reports.

The first reports were annual reports describing the timber supply and demand conditions for southeast Alaska, and the second report in 1985 was the first look-see to see how we were doing under ANILCA on the Tongass, and how management related to ANILCA.

Based on my experience in the Tongass, I must conclude that section 705(a) of ANILCA has failed. The primary goals of this section are to make economically-marginal lands more productive, and to ensure a continued log supply to dependent industry.

Instead, the permanent appropriation has resulted in no measurable increase in the use of marginal lands. Expenditures have been made to access more valuable land, to support an accelerated road construction program, and to expand administrative facilities, some of which are idle.

I would like to point out that while the real dollar outlays for the timber program have nearly doubled since ANILCA was passed, Tongass timber harvests are down by 50 percent. And more important the employment dependent upon the timber industry off the Tongass is down some 33 percent below the 1970 average or prior to ANILCA.

As a result, based on forest service information, the taxpayers have lost on the Tongass timber program 93 cents on the dollar in 1984, 98 cents in 1985, and 99 cents in 1986.

As for the future of the program, based on the Forest Service's most recent report to Congress, the status report which I have referred to earlier, called the 706(b) report, and which I helped prepare, the estimates of the overall losses to both the government and the industry will range from anywhere from $894 million to $2.8 billion over the next 50 years, depending upon market conditions.

In addition, the mandated timber supplies and permanent appropriations seem to dominate Forest Service management decisions on the Tongass. This means the opportunities for non-timber uses are needlessly limited and substantially reduced.

For some time now, Forest Service economists contend that the demand for Southeast Alaska timber and Pacific rim markets are what really controls the well-being of the industry in Alaska.

The Forest Service has no control over those market forces. More important, that even during the best of times, the best of markets, southeast Alaska's production costs have proved to be higher than our competitors up there.

While Forest Service investments in Tongass timber may enhance favorable market conditions, they cannot offset declining market factors.

Second, I would like to address just how the Tongass Timber Supply Fund was derived. The amount of the appropriation is based on an investment strategy outlined in the Tongass Land Management Plan of 1979.

However, the cost estimates to support the timber supply, the $4.5 billion over the decade, overstate the amount of commercial lands available. And they also ignore the diversity of forest types and physical conditions that happened over the Tongass.

The current definition, for example, of commercial forest lands is a misnomer. Such areas are described as containing at least a minimum tree growth rate and whether or not they can be logged by conventional harvest systems.

The definition simply does not incorporate costs or timber values and thus overestimates what is really commercially viable. As to diversity, only one small area in the Tongass, the Red Bay area in the north end of Prince of Wales, was sampled to estimate the Tongass Timber Supply Fund needs.

These results of this one small area were extrapolated over 1.7 million acres of the timber base, and certainly cannot be representative of the diverse conditions over the forest.

I also contend, based on my experience, that the Forest Service has misused its discretionary authority in managing the Tongass Timber Supply Fund. I attribute this to inadequate ties between the forest plan and on-the-ground management.

This, coupled with a permanent appropriation in ANILCA, has fostered a blank check syndrome. The blank check syndrome is most apparent in an accelerated road-building program on the Tongass.

For example, starting in 1979 we set aside 1.7 million acres there as operable timber for timber production. Of these acres, 13 percent had been harvested and accessed at that point. The remaining 87 percent were to be accessed over the next 50 to 70 years into the harvest rotation.

However, with the ANILCA funding program that was enabled by section 705 of ANILCA, we have roaded 40 to 50 percent of the unroaded drainages in a mere 6 years. And this feat was accomplished during unprecedented depressed markets.

Looking ahead, I see other problems besetting the Tongass timber program. Most significant is a lessening of timber quality. Prior to ANILCA, the timber industry used about 10 percent of what we call economically marginal lands.

Through the Tongass Timber Supply Fund, or the permanent appropriation, we were supposed to boost this to 26 percent. In reality, the harvest have remained where they have always been, the 10 or 12 percent of the total harvest.

More significant is the projection increased dependence on this low-volume material. And this material is, if we are to meet that timber supply mandate in ANILCA, will have to go up to 42 percent, nearly half of the harvest. This is four times the historic rate.

In conclusion, section 705 of ANILCA is inconsistent with resource management, sound resource management on the Tongass, and the realities of southeast Alaska as a timber supplier in world markets.

If current conditions persist, the Forest Service, lacking accountability, will continue to spend funds to prepare unwanted timber sales, accelerate roading, and maintain its own infrastructure with little regard to timber demand.

Furthermore I suggest that section 705(a) and its resulting management practices will crush any real hopes that a more balanced solution can come out of the new plan that is now just underway. Thank you.

Senator FOWLER. Thank you, Mr. Mehrkens.

Senator WIRTH. Mr. Chairman, can we get inserted in the record at this point a letter from the Wilderness Society related to Mr. Mehrkens' responsibilities with the Wilderness Society?

There has been some discussion as to whether or not it was appropriate for Mr. Mehrkens to testify, having recently worked for the Forest Service. And I just wanted to make sure, for the record, that was all clear.

We have got an opinion from legal counsel and so on. And if I could have that included, either after his testimony or at the appropriate spot in the record.

Senator FOWLER. With no objection, so ordered.

[The prepared statement of Mr. Mehrkens and letter submitted by Senator Wirth follow:]

THE WILDERNESS SOCIETY

STATEMENT OF JOSEPH R. MEHRKENS, THE WILDERNESS SOCIETY, ON THE TONGASS TIMBER REFORM ACT, S.708, BEFORE THE SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS, AND FORESTS, COMMITTEE ON ENERGY AND NATURAL RESOURCES, NOVEMBER 5, 1987.

Members of the Committee, I am Joseph Mehrkens, economist with The Wilderness Society. I appreciate the opportunity to appear before you on behalf of The Society's 190,000 members. My testimony supports S.708, the Tongass Timber Reform Act.

Prior to joining The Wilderness Society this October, I was employed for 17 years by the U.S. Forest Service. Over the past 12 years, I worked in Alaska, first as a forest hydrologist on the Stikine Area of the Tongass National Forest and then as regional economist for the Alaska Region Office in Juneau. My primary responsibility as regional economist was to organize information and help prepare congressional reports required by the Alaska National Interest Lands Conservation Act (ANILCA). These reports describe the supply and demand situation for timber in southeast Alaska and the status of resource management on the Tongass.

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Based on my experiences in the Tongass, I must conclude that Section 705 of ANILCA has failed. The primary goals of the Section are to make "economically marginal" lands more productive and to insure a continued supply of logs to "dependent industry." Instead:

- The permanent appropriation mandated in Section 705 has resulted in no measurable increase in the use of marginal lands.

- Expenditures have been made to access more valuable timber, support an accelerated road construction program, and expand administrative facilities -- some of which now sit idle.

- While real dollar outlays for the timber program have nearly doubled since passage of ANILCA in 1980, Tongass timber harvests are down approximately 50 percent from pre-ANILCA levels. Employment dependent on timber from the Tongass has fallen 33 percent below average levels in the 1970s.

As a result:

- Based on Forest Service data, The Wilderness Society found that taxpayer losses from the Tongass timber program were 93 cents on the dollar in 1984, 98 cents in 1985, and 99 cents in 1986.

- As for the future, the Forest Service's most recent Tongass report to Congress -- required by Section 706(b) and which I helped prepare -- estimates overall losses to the government and industry will range from $894 million to $2.8 billion over the next 50 years, depending on market conditions.

In addition, mandated timber supplies and permanent appropriations set out in Section 705 dominate Forest Service management decisions on the Tongass. This means that opportunities on the forest for non-timber commercial interests and individual users are needlessly limited or substantially reduced.

The remainder of my testimony explains why the Tongass timber program as mandated in ANILCA has failed and why it will continue to fail.

Failure of the Tongass Timber Supply Program

The Tongass is unique among the 156 units that comprise the National Forest System. It is the only forest with a mandated timber supply level, a permanent appropriation to support the timber program, and an exemption from the requirements of the National Forest Management Act of 1976 to identify and then remove unsuitable lands from the timber base. Even given these special considerations, the Tongass timber program has proven unsuccessful.

Three principal factors leading to this failure are readily identified. First, the southeast Alaska timber industry represents a classic case of a residual supplier. It is "last in, first out" due mainly to high production costs. Second, the site-specific analysis used to determine the dollar amounts needed to fund the mandated timber supply was inadequate. Finally, guidelines governing the permanent appropriation are vague, allowing the Forest Service to misuse its discretionary authority. These factors are detailed below.

Southeast Timber Industry -- A Residual Supplier. For some time, Forest Service economists have contended that demand for southeast Alaska's timber in Pacific Rim markets determines the health and well-being of the area's timber industry. The Forest Service has no control over these market conditions. More important, even during the best of markets, southeast Alaska's production costs have proved to be higher than those of competitors.

The Forest Service has studied logging costs on the Tongass and on lands held by competing areas. The results of the studies show that British Columbia, for example, has higher quality timber and more accessible terrain than the Tongass. This also holds true in the Pacific Northwest and for other competitors.

Higher production costs in southeast Alaska mean that the timber industry is toward the end of the line of suppliers who enjoy improving markets. Southeast is also near the beginning of the line when markets decline and suppliers drop out. While Forest Service investments in Tongass timber may enhance favorable market conditions, they cannot offset significantly declining market factors.

Inadequate Information and Analysis. The amount of the permanent appropriation set in Section 705 -- "at least $40 million annually" -- is based on an investment strategy outlined in the Tongass Land Management Plan of 1979. However, the cost estimates arrived at to support ANILCA's timber supply mandate reflect two main analytical flaws: they overstate the amount of commercial forest land on the forest and they ignore the diversity of forest types and physical conditions on the Tongass.

Indeed, the current definition of "commercial" forest lands is a misnomer. Such areas are described as containing at least a minimum timber growth-rate, whether or not such areas can be logged by conventional -- and thus more cost-effective -- methods. The definition simply does not incorporate anticipated costs nor timber values and thus overestimates commercially viable lands. As to diversity, only a small area of the Tongass, Red Bay, was sampled to estimate the level of the Tongass Timber Supply Fund. The results were extrapolated across the entire

Tongass timber base, some 1.7 million acres. The Red Bay area certainly does not represent the diverse conditions found on the Tongass. Specifically, the area contains higher than average timber values and is relatively easy to road.

Additional complications arise from the management plan's use of timber appraisals in determining the cost estimates. The timber appraisal information is based on the assumption that competition for timber contracts exists on the Tongass. The courts have found otherwise. This lack of competition leads to an undervaluation of timber and an overstatement of the need for certain investments, such as roads built at taxpayer expense.

Furthermore, the cost estimates were derived using Forest Service budgetary information. Such data are based on amounts budgeted for the timber program rather than on actual expenses. A considerable gap often exists between the two figures. Consequently, the General Accounting Office has repeatedly criticized the Forest Service for using budgetary information in accounting for costs.

Lack of Accountability. The Forest Service has misused its discretionary authority in managing the Tongass Timber Supply Fund. I attribute this situation to a lack of accountability, facilitated by inadequate ties between the forest plan and on-the-ground management. As it stands, management direction under the Tongass Land Management Plan lacks site specificity to the degree that it has little or no influence on expenditures to support the forest's timber program.

To the point, mid-level planning level initially envisioned by the architects of the Tongass Land Management Plan was never completed. Instead, the forest supervisors responsible for the three distinct areas of the Tongass have implemented separate management directions. This lack of consistency across the forest, coupled with the permanent appropriation in ANILCA, has fostered a "blank check" syndrome.

This "blank check" syndrome is most apparent in the accelerated road building program on the Tongass. Starting with the Tongass Land Management Plan in 1979, the Forest Service identified approximately 1.6 million acres as "operable" for timber production. These acres were made available for logging, by placing them in the timber base, to achieve an average annual sale level of 450 million board feet. Thirteen percent of this acreage had already been logged by 1979; 87 percent was to be logged during the remaining 50 to 70 years of the first harvest rotation. However, ANILCA's Section 705, in establishing the Tongass Timber Supply Fund, enabled the Forest Service to build roads through 40 to 50 percent of these unroaded drainages in just six years. This feat was accomplished during unprecedented depressed markets.

Unfortunately, the only consistent criterion used to determine investments in the timber program is the need to justify Forest Service expenditures from the supply fund. As shown through accelerated road building, expenditures for the timber program bear little relation to market conditions. For example, the allowable sale quantity of 4.5 billion board feet (bbf) per decade in the Tongass Land Management Plan represents a ceiling. On the other hand, the Forest Service has represented ANILCA's timber "supply" goal of 4.5 bbf per decade first as a floor, then as a mandate, and currently as a "soft" supply goal. These changes parallel declining timber markets for the southeast Alaskan timber industry. Yet, despite market realities, the Forest Service continued laying out timber sales and building roads.

Future Timber Management Issues for Southeast Alaska

Looking ahead, I see major problems besetting the Tongass timber program. The most significant is a lessening of timber quality. Prior to ANILCA, the Forest Service informed Congress that timber quality was declining and that historic levels of harvest could be accomplished only with "added investments" similar to those envisioned by Section 705 in its mandate to make marginal lands more productive. At that time, low volume stands comprised an average of 10 percent of timber harvests. Through the Tongass Timber Supply Fund, this portion was to be boosted to 26 percent. Actual harvests since passage of ANILCA, however, have incorporated nearly the same amounts of low volume timber as before, ranging from 10 to 12 percent. More significant is the projected logging of low volume material during the next 40 years. Over that period, the average use of low volume timber will have to be 42 percent, or four times the historic rate.

Closely related is the question surrounding the future availability of old-growth Sitka spruce. High quality old-growth Sitka spruce has essentially underwritten the southeast Alaska timber industry, accounting for an average 26 percent of the total harvest since 1970. Without this resource, the average value of the timber harvested would fall well below the cost of logging and processing the timber. However, based on recent Forest Service timber inventories, old-growth Sitka spruce now comprises only 12 to 14 percent of the total timber volume. This suggests the Forest Service has allowed logging of this essentially nonrenewable forest type at twice the rate it occurs.

Finally, I turn to currently improving timber market conditions, which the Forest Service and the timber industry have emphasized. Markets have indeed been rising from the low point of the early 1980s, primarily due to factors affecting short-term market cycles. This upturn is temporary and will probably last for only 18 months.

Most important, long-term timber supply prospects for southeast Alaska remain unchanged. For dissolving pulp, most experts forecast a future and lasting decline in overall demand as Southeast mills compete against suppliers with advanced technology and lower logging costs. For southeast Alaska's sawmills, the spruce lumber market should remain strong, as long as enough spruce exists to offset the much less valuable hemlock.

Conclusion

Section 705 of ANILCA is inconsistent with sound resource management on the Tongass and the realities of southeast Alaska as a timber supplier in world markets. If the current situation persists, the Forest Service -- lacking accountability -- will continue spending funds to prepare unwanted timber sales, accelerate roading, and maintain its own infrastructure with little regard for timber demand. Furthermore, I suggest that Section 705 and management practices stemming from it will crush hopes that balanced management solutions can result from a new plan.

Passage of S.708 will resolve immediate problems identified in my testimony.

The Wilderness Society is certainly willing to help explore alternatives to current management on the Tongass. Thank you.

THE WILDERNESS SOCIETY

GEORGE T. FRAMPTON, JR.
PRESIDENT

November 5, 1987

The Honorable Dale Bumpers
Subcommittee on Public Lands, National
  Parks and Forests
Committee on Energy and Natural Resources
308 Dirksen Senate Office Building
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Wilderness Society has recently hired Joseph Mehrkens, former Regional Economist for the Alaska Region, U.S. Forest Service, who will appear before your Subcommittee as a witness on proposed legislation to reform the Tongass timber management program. Mr. Mehrkens is one of the most knowledgeable individuals in the country on this subject.

Internal review by Wilderness Society attorneys indicated that, because of the nature of Mr. Mehrkens' responsibilities at the Forest Service over the past few years, applicable conflict-of-interest laws and regulations place virtually no restrictions on his appearing before Congress, the Forest Service or other federal executive agencies on behalf of The Wilderness Society. However, out of an abundance of caution we have retained a major national law firm to conduct an extensive review of this matter.

While that review has not been entirely completed, outside counsel has reaffirmed at the very outset that no conflict of interest whatsoever is involved in any appearance by Mr. Mehrkens on our behalf before any congressional committee. Applicable laws and regulations explicitly exempt appearances and testimony before Congress, reflecting in part the importance of Congress' interest in obtaining credible, expert views on significant governmental policy issues.

A copy of the opinion letter we have received setting forth this conclusion is enclosed. Thank you for your attention.

Sincerely,

George T Frampton Jr.

Enclosure

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November 5, 1987

George T. Frampton, Jr., President
The Wilderness Society
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Dear George:

At the request of The Wilderness Society, this firm has undertaken a review of the Ethics in Government Act (18 U.S.C. §207) and its regulations (5 CFR §737.1-737.29) and the Agriculture Department's applicable regulations (7 CFR §0.735-14), to determine whether Joseph Mehrkens' activities with The Wilderness Society will involve either actual or apparent conflicts of interest. On the basis of the facts stated below and the pertinent statute and regulations, we have concluded that Mr. Mehrkens' testimony before Congress will raise no conflicts of interest covered by the Act. Moreover, it appears that any limitations on other activities by Mr. Mehrkens on behalf of The Wilderness Society will be very modest.

Facts

The Wilderness Society has hired Joseph Mehrkens, former chief economist for the Alaska Region of the U.S. Forest Service, as an economist in its Resource Planning and Economics Department. The Society seeks to have Mr. Mehrkens represent it in formal or informal appearances before the United States government, particularly the United States Congress, in matters concerning Tongass National Forest policy.

At the time of Mr. Mehrkens' departure from the U.S. Forest Service his activities included the development of: 1) timber supply and demand models for Southeast Alaska; 2) economic impact models to estimate employment and income within 72 Alaskan business sectors; 3) cost-benefit evaluations for fishery enhancement projects; and 4) resource trade-off models for commercial timber and fisheries and wildlife habitat.

From our understanding of Mr. Mehrkens' activities with the Forest Service, three primary areas of responsibility emerge. First, Mr. Mehrkens managed planning and policy evaluations for Alaskan forests. Second, he had direct responsibility for developing various studies of resource conditions. Third, he carried out tasks relating to Congressional reporting requirements.

Applicable Law

A. The Purpose of the Ethics in Government Act.

The purpose of the Ethics in Government Act is to prevent "the appearance of making unfair use of prior government employment and affiliations." 5 C.F.R. §737.1(c). The Act does not seek to bar employment of former federal employees from employment with any private or public employer after government service. The Act's provisions are not intended to discourage movement of skilled professionals to and from positions in the private sector. Such movement, states the Act, "can promote efficiency and communication between the Government and private activities..." Rather, the Act is designed to proscribe certain activities by former federal employees "which are detrimental to public confidence in Government." Id., §737.1(c)(5).

To achieve the purpose of the Act, the statute and its regulations restrict former employees' appearances before and communications to federal agencies and their employees. Mr. Mehrkens will be allowed to do anything for The Wilderness Society except appear or communicate with The Forest Service and other units of the federal government under the conditions outlined in this Memorandum.

The Ethics in Government Act establishes two rules of conduct, discussed below, which apply to all former federal government employees, regardless of their rank within the government. Additional prohibitions, applicable to former "senior employees," do not apply to Mr. Mehrkens, as his position did not meet the criteria set forth defining these employees. See 18 U.S.C. 207(d)(1); 5 C.F.R. 737.25(a)(1).

B. Activities Permanently Prohibited by the Ethics in Government Act.

Section 207(a) of the Ethics in Government Act permanently prohibits Mr. Mehrkens, a former government employee, from engaging in specified prohibited conduct for The Wilderness Society in connection with any proceeding in which the United States is a party or has a direct and substantial interest, and in which Mr. Mehrkens participated "personally and substantially" while with The Forest Service. 18 U.S.C. §207(a).

The prohibited conduct regulated by this rule consists of (1) knowingly representing a person other than the federal government in any formal or informal appearance before any federal department or employee; and (2) communicating orally or in writing on behalf of any person other than the United States, with the intent to influence any federal department or employee. Id.

Communications by Mr. Mehrkens with a federal department or employee that are not designed to influence the government, such as a request for publicly available documents or a conversation about purely factual information, are not prohibited. See 5 C.F.R. §737.5(b)(4). Further, if Mr. Mehrkens had nothing more than "official responsibility, knowledge, perfunctory involvement, or involvement on an administrative or peripheral issue," this rule's permanent prohibition does not apply. Id. §737.5(d)(1).

C. Activities Prohibited For Two Years By The Ethics in Government Act.

Section 207(b) establishes a two-year prohibition on Mr. Mehrkens appearing, communicating, or representing any other person in connection with any proceeding that was actually pending under his "official responsibility," although he did not "[participate] personally and substantially." 18 U.S.C. 207(b)(i). This prohibition applies only with respect to matters actually pending within one year prior to termination of Mr. Mehrkens' official responsibility. Id., §207(b)(i)(3)(i). The types of conduct barred are the same as those prohibited by Section 207(a). A matter was "actually pending" if it was referred to or under the consideration of persons within Mr. Mehrkens' "area of responsibility." 5 C.F.R. §737.7(c).

"Official responsibility" differs from the term "personal and substantial participation" as used in Section 207(a), but Mr. Mehrkens' responsibility may "play a role in determining the substantiality of [his] participation." Id., §737.5(d)(3). "Official responsibility" is defined as the direct authority "to approve, disapprove, or otherwise direct Government actions." Id., §737.7(b)(1). This authority includes either "direct administrative or operating authority, whether intermediate or final..." This authority may be exercised alone or as part of a group and "either personally or through subordinates." Id.

Accordingly, for two years Mr. Mehrkens may not represent The Wilderness Society before, or communicate on behalf of the Society with intent to influence, The Forest Service or any other federal department or employee in connection with any matter which was the responsibility of Mr. Mehrkens or his subordinates during the twelve months preceding his departure from The Forest Service.

D. Use of the Term "Matter" in Sections 207(a) and 207(b) of the Ethics in Government Act.

The prohibitions in §207(a) and §207(b) of the Ethics in Government Act are limited by their implementing regulations. The regulations include only those activities that are based on the former employee's "prior participation in or responsibility for a 'particular matter involving a specific party or parties' in which the United States is a party or has a direct and substantial interest. Such a matter typically involves a specific proceeding affecting the legal rights of the parties or an insolatable [sic] transaction or related set of transactions between identifiable parties." Rulemaking, legislation, the formulation of general policy, standards or objectives, or other action of general application is not such a matter. 5 C.F.R. §737.5(c) (emphasis added). Thus, many of Mr. Mehrkens' prior government activities are clearly not encompassed by the Act.

E. Appearances before Congress are not Prohibited by the Act.

The terms "United States" and "Government," as used in the Act, do not encompass appearances before the Congress. These terms are defined to include any "department, agency, court, court-martial, or any civil, military or naval commission of the United States..." 5 C.F.R. §737.3(a)(1). "Agency" is defined to include an "Executive Department" and other agencies established by the "executive branch." *Id*. §737.3(a)(2). "Government Employee" is defined to include officers or employees of the "Executive Branch." *Id*., §737.3(a)(3). Thus, appearances by Mr. Mehrkens before the Congress are allowed under the Act.

As stated hereinabove, it is our opinion that an appearance by Mr. Mehrkens' before Congress is not covered by this Act. Based on our conversations with Mr. Mehrkens, we are not aware of any limitations placed on his activities on behalf of The Wilderness Society by the Act. However, we have not fully explored all the possible conflicts that may exist. We would be pleased to provide further advice regarding other aspects of Mr. Mehrkens' duties with The Wilderness Society as the need arises.

If you wish to discuss this matter further, please do not hesitate to contact us.

Sincerely,

REED SMITH SHAW & McCLAY

By: John F. Dienelt

Senator **Fowler**. Mr. K.J. Metcalf, Southeast Alaska Conservation Council.

STATEMENT OF K.J. METCALF, SOUTHEAST ALASKA CONSERVATION COUNCIL, ANGOON, AK, ACCOMPANIED BY SYLVIA GERAGHTY, ALASKANS FOR RESPONSIBLE RESOURCE MANAGEMENT, TOKEEN, AK

Mr. **Metcalf**. I am delighted to be here, Mr. Chairman, members of the committee.

My name is K.J. Metcalf. I live in Angoon, AK. To my right is Sylvia Geraghty, who because of time constraints will not be able to testify. But I urge that you ask her some questions. She is an independent logger, and I am sure will have some different information than the next panel will have.

SEACC is made up of people who live and work in the Tongass National Forest. We strongly support passage of S. 708. I do have a written statement which has been submitted, and I would like to make that part of the record.

I also have a letter by some 19 organizations who support our position, that I would like also to make part of the record.

Senator **Fowler**. They will be included.

Mr. **Metcalf**. I want to emphasize my background of some 20 years in planning and public information with the Forest Service on the Tongass.

I was the planning team leader for the first phase of the Tongass Land Management Plan, and remained on the planning team through the completion of the plan. Prior to my retirement in 1982, I was manager of Admiralty Island National Monument.

When the Alaska Lands bill was passed, Congress included section 706(b), and that allowed the Forest Service to come back to Congress and acknowledge if they were having any problems, that they were not able to meet their commitments.

As you will hear from me and other witnesses today, the Forest Service has not been able to keep those commitments, and has not shown the leadership to even acknowledge that there are problems.

On Tuesday of this week, the chief of the Forest Service sat here and told you that in essence there are no major problems on the Tongass. No one believes that, except the Forest Service. Even Jim Clark of the timber industry says that there are some major problems.

The Forest Service also says, please wait until our information is pulled together, the Tongass Land Management Plan is done before any legislation is passed. With all due respect to the chief, I am here to tell you that the Tongass plan revision is doomed to failure.

No matter how much effort the Forest Service puts into this revision, no matter how much money it takes or how much public involvement is solicited, the answers are going to be the same as they are today.

The 450 million board annual supply is literally a gun at the head of the Forest Service. The Forest Service tells us that they are bound to meet that commitment, and that is why they have to go into the high-volume sensitive areas. And the folks on this panel can verify that.

They not only see that as a commitment or a mandate, but also the two 50-year contracts. Two weeks ago I met with the new leader of the Tongass Plan revision. He assured me that all reasonable alternatives would be examined.

He also told me that the preferred alternative would include the 450 mandate, as well as accommodating the two 50-year contracts. I know of no other national forest that has the level of controversy that the Tongass has. I know of no other national forest that is as complex as the Tongass.

The Forest Service is faced with a mammoth undertaking, an impossible time schedule for their plan, and the results, believe me, are going to be the same as they are today.

We know that our planning assumptions were wrong when we did the first Tongass plan. The 450 mandate and the 50-year contracts are not sustainable over the long term, without damage to other values.

The commitments made in the Tongass Plan for protection of fish and wildlife habitat, protection of subsistence opportunities and community stability were promised. But they are delivered only to the extent that the timber harvest allows. The problems of the Tongass were created by political decisions, and the solutions lie in political decisions.

The Tongass Forest must be put under multiple use management, and the forest planning system allowed to work. To achieve this, Congress must remove the mandated 450 timber supply goal, and put Tongass timber program funds back under the normal appropriation.

S. 708 does this, and we support it. But we must go further by cancelling the two 50-year contracts and replacing them with short-term sales and competitive bidding, and by granting lasting protection with wilderness designation to a small number of key watersheds.

This will safeguard economically important commercial fishery habitat, and primal growth that was left out of the Alaska Lands Act, at the urging of the mills.

There have been two points that we have consistently heard in these hearings, and I really think they deserve some clarification. One is, a deal is a deal. The 450 million board foot figure and the Tongass Timber Supply Funds were to be implemented through the Tongass land management plan. And that plan was the only deal that I am aware of.

The plan promised that all fish habitat would be protected, retention of wildlife habitat and each drainage would be adequate for viable populations, subsistence opportunities would be protected, and that it would provide for community stability. The plan promised that 27 percent of the timber harvest would come from low-volume marginal stands.

Well, the Forest Service has done its best to provide the 450 from high-volume stands, at the expense of the other provisions. You are going to hear today, and you will continue to hear that the contract between the Federal government and the American people, in fact, has been broken.

The second point is that the price for wilderness, that there is a price paid for wilderness. I am not aware of any other national forest where the timber industry has been paid because there is an effort to manage public lands under multiple use.

In order to believe this, you have to assume that the timber industry owns all of the timber on a national forest, and if any wilderness is designated, then they get compensated because they could not cut all the timber.

Now wilderness is part of the legislated, multiple use of a national forest. We keep hearing that there is so much valuable timber locked up in wilderness, when in fact out of the 5.4 million acres of wilderness, only 3 percent is commercially important timber.

I might add that the two pulp mills in the Tongass lost no timber through the Alaska Lands Act. Their contracted volumes were protected.

SEACC is a local conservation group. We live in Southeast. Some of us log for a living, and some log for subsistence. We support a timber industry in Alaska, but not this one.

We support actions that would encourage and foster small and moderate-size independent timber operations in our region. We believe that the timber industry should be reconstructed so that it is compatible with the renewable resource industries of the forest, including commercial fishing, tourism, and with the protection of key fish and wildlife habitat and subsistence areas.

A restructured industry can still utilize pulp grade logs, either in a pulp mill or in shipping facility. And logs could even be exported to the lower 48 States. We support more intensive management of already developed land, and second-growth forest. We just think that the pulp mills should operate on the same competitive basis as everyone else.

During my years with the Forest Service, I advocated an enlightened land ethic, and I trusted the Forest Service planning process and I worked hard to convince others to trust that.

But today I am sickened at what I see happening on the Tongass. And I would like to publicly apologize to those people who I convinced to trust the planning process, and that I convinced them that the Tongass plan would mean multiple use on the national forest.

I am urging you not to wait for more Forest Service planning. I know the Forest Service and I know their planning process. We believe that Congress should act now to ensure that the Tongass will be managed for true balanced multiple use for the benefit of all Americans. Thank you.

[The prepared statement and additional material submitted by Mr. Metcalf follows:]

Southeast Alaska Conservation Council

SEACC • P.O. Box 021692 • Juneau, Alaska 99802 • (907-586-6942)

Statement of
SOUTHEAST ALASKA CONSERVATION COUNCIL (SEACC)
Presented by
K. J. METCALF, Member SEACC Board of Directors
in support of
S. 708 (TONGASS TIMBER REFORM ACT)
Before the
PUBLIC LANDS, NATIONAL PARKS AND FORESTS SUBCOMMITTEE
U.S. SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
November 5, 1987

My name is K. J. Metcalf. I am speaking on behalf of the Southeast Alaska Conservation Council (SEACC). SEACC would like to thank you for your invitation to speak today. We greatly appreciate this opportunity to express our full support of S. 708, the Tongass Timber Reform Act.

I make my home in Angoon, Alaska on Admiralty Island where my wife and I own and operate Angoon Trading Company. I have a 26-year Forest Service background in forest resource issues and planning, with 24 of those years on the Tongass National Forest. I was the team leader on the Southeast Alaska Area Guide, a joint Forest Service/State of Alaska effort to resolve forest practice issues in the mid-1970's. I was a member of the Tongass Land Management Plan Team and was heavily involved in team and public negotiations, development of resource data and the final Plan. In 1978 I was appointed manager of the Admiralty Island National Monument. I remained as monument manager until my retirement from the Forest Service in 1982.

For the past three years I have been on SEACC's Board of Directors. SEACC is a coalition of 12 conservation groups located in 9 communities throughout Southeast Alaska. Additionally, SEACC has over 750 individual members. SEACC was founded in 1969 by Southeast Alaskans who had become alarmed by the increasing destruction of important fish and wildlife habitat by large-scale logging. For 18 years now, SEACC has been the leading voice for conservation in Southeast Alaska.

In 1980, under Section 706(c) of the Alaska Lands Act (ANILCA), SEACC was one of several groups selected by Congress to consult and cooperate with the Forest Service in preparation of the agency's report on the status of Tongass management. ANILCA

Section 706(b) directed that this status report be presented for Congressional review every two years, beginning in 1985.

I believe that my background, along with SEACC's long history of involvement, allows me to speak with authority in favor of S. 708 and in addressing the problems of the Tongass and the problems of the Forest Service.

I. SEACC SUPPORTS PASSAGE OF S. 708

A. S. 708 Would Bring Order Back to the Tongass National Forest

SEACC strongly supports S. 708, the Tongass Timber Reform Act. This legislation would be a major step toward resolving the senseless resource management situation on our nation's largest national forest. Smokey the Bear would roll over in his grave if he knew what was happening in the Tongass. S. 708 is needed to bring order back to Tongass management.

The Tongass Timber Reform Act would clearly pull the reins in on a runaway bureaucracy by taking the following positive steps:

* It would return the funding of the Tongass to the annual appropriations process by repealing Sec. 705(a) of ANILCA. This would remove the Tongass Timber Supply Fund and the inflexible 4.5 billion board foot timber supply goal (known locally as the "450").

* It would repeal exemption of the Tongass from Sec. 6(k) of the National Forest Management Act which requires the Forest Service to identify lands not suitable for timber production. There is no reason why the Tongass, alone among the national forests, should be exempt from this requirement.

* It would broaden the ANILCA Sec. 706(b) review of Tongass management status to include the impacts of timbering on wildlife and fisheries habitat and on subsistence.

The Tongass is the only national forest which has a guaranteed entitlement of at least $40 million each year. The Tongass Timber Supply Fund has averaged over $46 million since full implementation of ANILCA in 1982, with estimates for expenditures of over $51 million in FY 1987. Furthermore, the Tongass is the only national forest with a timber supply goal written into law. The Tongass Timber Supply Fund provides the funding for totally unacceptable environmental impacts at great taxpayer expense, and the "450" timber supply goal threatens key fish and wildlife habitat and subsistence use areas.

The very foundation of this impossible situation, is the two 50-year timber contracts held by Alaska Pulp Corporation in Sitka and Louisiana Pacific/Ketchikan. ANILCA Sec. 705(a) has served to magnify the problems created by these contracts. (See Attachment A)

1. The Tongass Timber Supply Fund is Economically Unsound

Since full implementation of the Tongass Timber Supply Fund in FY 1982, expenditures for the Tongass timber program have amounted to $287 million. This expenditure includes the Tongass Timber Supply Fund plus other monies for other monies for road building and timber management. Including stumpage fees and all other money the Forest Service claims as receipts, the return to the federal Treasury amounts to only $31 million. This is a gap of $256 million between expenditures and receipts. In other words, the Tongass timber program has cost American taxpayers an average of $51 million a year since passage of ANILCA.

A major reason for this huge waste of taxpayers' money is that the Forest Service assumed timber demand and prices would stay constant at historic high levels. The 1979 Tongass Land Management Plan was based on this assumption and the agency got locked in by the "450" timber supply goal language included in ANILCA Section 705(a). This assumption was a gross error. For example, between 1980 and 1984 the Forest Service made available 491 million board feet on the average, far in excess of the "450" timber supply goal. Because of mounting criticism the Forest Service reduced its annual timber sale offering, but from 1980-1986 they still had an average offering of 467 million board feet per year. On the average, roughly half of this timber has not been purchased, and the average timber harvest levels are even lower.

The Tongass Land Management Plan allowed for the offering of an average of 338 million board feet per year of "normal economic" timber, but despite the lack of demand, the agency still offered an annual average of 411 million board feet. The Forest Service has never offered for sale even close to the full amount of "marginal" timber it proposed in the Tongass Plan.

Representatives of Alaska Pulp Corporation in Sitka and Louisiana Pacific/Ketchikan cite that the rationale for ANILCA Sect. 705 was for the purpose of maintaining timber employment in the region at pre-1980 levels (peak years for both mills). However, despite the millions of dollars from the Fund, over 1000 jobs have been lost since 1980, primarily due to a poor market for pulp. At Congressional Oversight Hearings last May, the Forest Service in response to questioning by Rep. Don Young stated, "Given the reduced demand for Alaska sawn products in export markets since 1981, no amount of ANILCA investments could have maintained the timber industry employment at historic levels."

The Tongass Timber Reform Act would not eliminate the Tongass timber program. The program would still be funded through the annual Congressional appropriations process. The pulp mills frequently complain that not enough money is being spent to aid their industry. If the mills sincerely wanted to be directly involved in how and where the Forest Service spends money on the

Tongass timber program, they would be here today supporting return of the Tongass to the scrutiny of the annual appropriations process. Thus far, however, they have not advocated such fiscal responsibility.

2. The "450" Timber Supply Goal is Environmentally Unsound

Economics aside, the "450" timber supply goal simply is not sustainable over the long-term without severe loss and impairment of important fish and wildlife habitat. The current Tongass Land Management Plan, based on the 4.5 billion board feet per decade timber supply goal, calls for an annual clearcutting of 17,000 acres and construction of 285 miles of new roads each year. This will result in disruption of the subsistence economy and way of life, along with harsh impacts on sport hunting and fishing, tourism, commercial fishing, and recreation.

As a result of Sec. 705(a), the Forest Service has pursued the Tongass timber supply goal as if it were a mandate. This has resulted in the Tongass being managed in violation of the agency's own guidelines and policies, as well as federal laws. The Tongass is out of compliance with the National Environmental Policy Act, the National Forest Management Act, the Alaska National Interest Lands Conservation Act, the National Historic Preservation Act, the National Wild and Scenic Rivers Act, and a myriad of regulations implementing these laws.

Repeal of the "450" directive would permit the Forest Service to take its blinders off and set allowable timber sale levels and pre-roading (now renamed "public works roads") targets in response to expected demand and in consideration of protecting important habitat. These actions would not limit the ability of timber operators to purchase ample volumes of timber, to operate wood processing facilities, or to employ Alaskans.

The timber industry and the Forest Service like to claim that logging has had no negative effect on fish and wildlife since record salmon and deer harvests have occurred during recent years. The fact is that the recent upswings in salmon production are the result of years of improved and more precise management practices of fish stocks and the regulation of the fishing fleet by the State of Alaska. The State's improved management strategies, initiated at a time of low salmon population, have been effective enough to counteract the negative effects of logging which cause loss of production as a result of stream habitat degradation.

This year, however, we witnessed reduced numbers of returning pink salmon due to winter freeze-outs in streams two years ago. The seriousness of this reduction was further compounded this summer when lack of rainfall lowered stream flow levels, resulting in die-offs of pinks before they could spawn. Many observors, including the Alaska Department of Fish and Game, believe these incidents were caused by the logging and removal of streamside cover which otherwise would have mitigated weather extremes.

Adverse impacts from logging and road building identified by the American Fisheries Society (a 115 year-old organization of professional fisheries scientists) include: 1) increased erosion and sedimentation with loss of habitat and smothering of aquatic organisms; 2) increased flooding with loss of fish and devastation of channel stability; 3) stream obstruction by logging debris; 4) major changes in stream temperatures which affect salmon survival; and 5) increased wind damage to riparian vegetation following removal of protective cover. Only the extremely depressed condition of the world timber market has kept many areas of high potential for fish habitat destruction from being logged. SEACC agrees with the American Fisheries Society statement that, "The value of the public land fisheries resources impacted by timber sales is very great and indeed can be far greater than the value of the timber."

The same high-volume, old-growth timber stands which attract Alaska Pulp and Louisiana Pacific, are also essential to the survival of the Sitka black-tailed deer. While good populations exist today, deer populations can fluctuate wildly depending on the severity of winter weather. Old-growth timber shelters deer during deep snows, allowing them to continue browsing under the canopy of giant spruce and hemlocks.

Second-growth timber, however, is worthless as deer habitat. In 15-20 years, an extremely dense stand of small trees grows up to block light from reaching the forest floor and results in virtually no browse growing under these tight thickets for the next 100 years. Since present Forest Service management calls for Tongass forests to be harvested at 100 year rotations, the result is permanent loss of deer habitat. Second-growth forests will account for 75-80% of the managed forest land in the Tongass at the end of the first 100 year rotation. By then one-half of the now important available deer winter habitat will be lost forever, and deer populations will be severely reduced and even eliminated from certain places. Subsistence users and sport hunters will lose their most important game animal on the Tongass.

3. Sec. 705(a) and the Contracts Have Resulted in Subsistence Needs Being Ignored

Under ANILCA Title VIII, the U.S. Congress expressly mandated that the Forest Service provide an analysis and protection of subsistence uses on the Tongass. However, what Title VIII gives, Sec. 705(a) and the two 50-year contracts take away. This is compounded by the fact that the Forest Service simply chooses to ignore subsistence needs. In almost every study the agency has concluded that there are no impacts on subsistence, and that there never have been. Subsistence users take exception to this analysis and conclusion. The 1986-90 EIS for Alaska Pulp Corporation's timber operating plan is an excellent example of the total disregard and total lack of understanding demonstrated by the Forest Service toward rural residents of the Tongass. I refer you to the statement of reasons in support of the appeal to the 1986-90 EIS filed by Douglas and Ernistine Glessing and Ely Hanlon of Hoonah. (Appeal available upon request)

B. S. 708 Should be Amended to Support Small Operations and to Cancel the Two 50-Year Contracts

With all due respect, SEACC believes that S. 708 does not go far enough. In order to get to the root of Tongass management problems, language should be included in the bill which specifically encourages and fosters small- and moderate-scale independent timber operations. SEACC also urges that S. 708 be amended by adding a provision for cancellation of the two 50-year contracts and replacing them with a system of short-term sales and competitive bidding.

Because of the provisions of ANILCA Sec. 705(a) and the two 50-year timber contracts, the Tongass is an economic disaster and not even close to being managed for true multiple-use. In actuality the Forest Service is running an expansive private timber plantation for the two pulp mills on the public's land at great public expense. Along with the repeal of Sec. 705(a), cancellation of both contracts is economically and environmentally imperative.

Termination of the contracts would allow greater flexibility for land allocations, competitive bidding, and the protection of key fish and wildlife habitat areas and subsistence resources. Alaska Pulp Corporation and Louisiana Pacific/Ketchikan would still be able to buy timber, but they would no longer be allowed to totally dominate other timber operators or other resources or the Forest Service. They would only be able to buy what they could utilize instead of banking timber.

Additionally, Section 1315(3) of ANILCA should either be repealed or amended to permit the purchase or buy-back of selected timber cutting rights in important fish and wildlife habitat watersheds. This should also be reflected in an appropriate amendment to Section 15(b) of the National Forest Management Act.

1. Contract Background

Signed over 30 years ago, the contracts are no longer in the best public interest, neither nationally nor for the region. The contracts were signed prior to the Multiple Use and Sustained Yield Act of 1960, the National Environmental Policy Act (NEPA) of 1969, and the National Forest Management Act (NFMA) of 1976. Management of public lands has changed dramatically since the 1950s, but the contracts remain virtually unchanged. Section 15(b) of NFMA specifically provided that the contracts be revised and brought into compliance with other provisions of NFMA. The Forest Service has failed to bring the contracts into compliance in the 11 years since passage of NFMA, despite the fact that in 1983 a Forest

Service contract review team stated that portions of the contracts "severely restrict the agency from properly managing the forest covered by the contract allotments."

Unique to the National Forest System, the two 50-year contracts are the primary impediment to modern forest management on the Tongass. Throwbacks to the dark ages of forestry, the 50-year contracts were formulated in an effort to promote large-scale industrial forestry in Southeast Alaska to convert the priceless old-growth timber stands of the Tongass into pulp plantations. As many as four pulp mills were envisioned by the Forest Service's empire builders, utilizing virtually all of the commercial timber in the forest. As much as 98% of the old-growth, commercial forest was targeted for liquidation!

In 1981, one year after passage of ANILCA, the Reid Brothers Logging Company won a judgment against Alaska Pulp and Louisiana Pacific/Ketchikan for conspiracy in restraint of trade and commerce and for monopolization of trade in the federal District Court for the Western District of Washington. The Ninth Circuit Court of Appeals and the U.S. Supreme Court refused to exonerate the two companies of guilt. SEACC maintains that had this guilty verdict happened prior to NFMA and ANILCA, the contracts would have been canceled then, and ANILCA Section 705(a) would never have been necessary.

It was also found after passage of ANILCA that the two pulp mills cheated the Forest Service out of between $60-$82 million by price-fixing, double-invoicing, and other illegal and deceptive practices. Though the Forest Service itself estimated this magnitude of loss, it has only claimed $9.4 million in legal proceedings thus far.

Despite such underhanded activities, Alaska Pulp and Louisiana Pacific have been given additional special treatment by the Forest Service. In 1981 and 1982 they were granted "emergency rate redeterminations" reducing the stumpage (how much the companies pay for the timber). For Louisiana Pacific, all timber stumpage was reduced by 96%, bringing the price down to 1951 base rates (except for hemlock which sells for an average of $1.36 per thousand board feet). Alaska Pulp's stumpages for spruce and cedar were reduced by 99% to bring them down to 1956 base rates. For example, Alaska Pulp's spruce sawlogs were appraised at $215 per thousand board feet, but they now pay only $2.26 for that timber! Cedar appraised at over $1000 per thousand board feet is bought by Alaska Pulp for $1.22!

In addition to the emergency rate redeterminations, in 1984 and 1985 the Forest Service revised utilization restrictions and permitted more merchantable wood than normal to be left behind during logging operations, so that the timber brought to the mills is only the most profitable, high-quality wood. The low-value trees are left to rot on the ground.

Alaska Pulp's contract allows the corporation to "pick and choose" areas of harvest in only the high-grade stands, leaving the stands of less valuable lower-grade timber. The end result is the cutting of only the best and most profitable big trees, which are also the best wildlife habitat.

On January 17, 1987, Alaska Pulp Corporation (APC) filed a breach of contract claim against the Forest Service for over $80 million, claiming the agency had not satisfied the 50-year contract to supply the Sitka pulp mill with wood. In its claim the corporation states that during the period of 1981-85 the Forest Service denied timber selection rights, improperly withdrew timber land, and failed to provide economic and competitive timber as specified in the contract:

> *By twice rejecting plans submitted by APC and by placing the selection process exclusively in the hands of the IDT team without any meaningful participation or input from APC, the Forest Service completely ignored the Section 7a selection requirements as if they did not exist. Instead of revising the original proposal submitted by APC, as it was contractually required to do, the Forest Service chose to make its own plan. This clearly constitutes a breach of the APC contract. Further, even when APC without waiving its right to its original selections, went to the trouble and expense of submitting an alternative plan, the Forest Service again ignored the limitations imposed by Section 7a of the contract and, rather than making appropriate adjustments, adopted a plan of its own making.*
>
> *...Moreover, even after an emergency rate redetermination effective on July 1, 1982, APC was still being required to pay $1.48 [per thousand board feet] for timber worth negative $97.29 [per thousand board feet].*[8] *In sum, throughout the entire course of the 1981-85 operating period, APC was offered timber which was not economic and which was at rates which were anything but equitable and clearly not competitive with the timber offered to the other long-term contract holder in Southeast Alaska. The Forest Service's failure to provide APC with economic timber at equitable and competitive rates has now continued into the 1986-90 operating period.*
>
> [8] *That is, given the average selling value of the timber and the average production costs necessary to produce finished products, i.e., logging costs including road construction and manufacturing costs, the timber would have to have been priced at negative $97.92 [per thousand board feet] for APC to have made what the Forest Service calculated to be a normal profit.*

Because of the contract provisions, the Forest Service claims it has no discretion to decide whether or not to log areas on the Tongass. Because of the contract provisions, an environmental impact statement on the Tongass is not a study, but a hurdle or a "gate" to pass through. Streamside buffer strips cannot be implemented without the consent of the loggers. National Forest Management Act reforms remain an unrealized promise. Critical deer habitat retention areas are the timber left over after the pulp mills lay out their clearcuts. On the Tongass, in other words, nothing has changed: 30 years of evolution of the science of forest management have yet to break through the barrier of the 50-year contracts. The Forest Service apparently believes that unless Congress acts they are committed, and we are destined, to act out the next 20 years of this resource management tragedy. Clearly, something must be done.

Despite the best efforts of Congress, the Courts, executive agencies, and the public to institute change, the Tongass is still doing business as if it were the 1950s. As Alaska Pulp Corporation itself stated in its breach of contract claim, "one thing has remained unchanged, the fifty-year contracts on the Tongass."

With all this in mind, SEACC feels compelled to state once more that S. 708 does not go far enough, and that Congress must amend this act to include language terminating these contracts. First Chief of the Forest Service Gifford Pinchot's policy for dealing with corporations should be enacted. His words ring especially true in the case of these contracts: "In the administration of the forest reserves it must be clearly borne in mind that all land is to be devoted to its most productive use for the permanent good of the whole people and not for the temporary benefit of individuals or companies."

At the very least, Congress should seriously consider a partial buy-back program which would purchase selected timber cutting rights for key unprotected fish and wildlife habitat areas. On the basis of what the two pulp mills are now paying for timber cutting rights on the Tongass, we could buy back the remaining timber cutting rights for less than $15 million. SEACC does not recommend buying back the entire operations of the two pulp mills at some greatly inflated price. A precise buy-back of key watersheds makes the most sense overall. Such a buy-back would be a good investment and reverse some very serious resource use conflicts looming along the horizon.

C. S. 708 Should be Amended to Provide Lasting Protection for Key Tongass Areas

1. The Forest Service Has Not Protected Key Habitat

It should be noted that of all the watersheds in the Tongass, only 34% are rated as high value for wildlife and 57% are rated as high value for fisheries. It is distressing to realize that only 30% of the limited number of high value fish and wildlife habitat areas are currently protected as Wilderness. One-half of the high value fisheries areas were allocated for logging and road building under the Tongass Land Management Plan; 60% of high value wildlife areas are allocated for logging and roading.

During the recent Amendment of the Tongass Land Management Plan (which SEACC is currently appealing), the Forest Service claimed that it was very responsive to SEACC's request for timber sale deferrals. The agency stated that it deferred 85% of SEACC's requests. However, this figure included many areas not scheduled for development under the Plan in the first place. Almost one-half of our requests were for the purpose of maintaining the status quo on areas which supposedly had administrative protection under the

Tongass Plan. SEACC was forced to request deferral of these areas because the agency was proposing to build roads in both LUD II and LUD I Release Areas under the Amendment process. SEACC, therefore, was forced to urge protection for areas which were allegedly safe!

Additionally, it should be noted that the agency refused to defer many of the key fish and wildlife habitat areas currently on the chopping block, such as the Chuck River, Kadashan, and Yakutat Forelands.

There is a growing sense of alarm over the Forest Service's failure to implement "retention" or administrative protection of key old growth tracts for wildlife. Furthermore, the agency's recently conceived Fish Habitat Management Units (FHMUs) create the illusion of protecting stream side zones, but in reality continue the time-worn practice of emphasizing timber production rather than fish habitat protection.

For example, in the Alaska Pulp Corporation's 1986-90 Operating Plan, protection of Class A fisheries (highest value streams) seems assured for the Forest Service states, "We estimate 80% of the trees will be retained for Class A fish habitat." In the next breath, however, the agency states that "second growth trees will be considered in meeting this objective." (Emphasis added) That means cutting the prime old growth to get on with the business of protecting streamside habitat with second growth. Take another look and you will discover that all coniferous tress less than 12 inches diameter at breast height (DBH) will be left to protect habitat. That means all the big old growth over 12 inches DBH will be logged unless they are leaning over the river. This is further emphasized by the agency's phrase "where possible, preference for retention will be given to lower value trees." (This special management zone is only 100 feet wide on either side of the streams to begin with.)

2. Two Long-standing Wilderness Proposals Remain Unprotected: The Yakutat Forelands and the Rest of West Chichagof

No matter what the outcome of the Tongass Timber Reform Act, there are still a handful areas on the Tongass in need of Wilderness protection. Two areas in particular were proposed for Wilderness in the original Alaska Lands Act by members of the House Interior Committee: the magnificent Yakutat Forelands and the remainder of the original West Chichagof-Yakobi Wilderness Proposal which includes the Lisianski River corridor and Upper Hoonah Sound. Southeast Alaskan citizens first proposed Wilderness designation for the West Chichagof-Yakobi area in 1967 and for the Yakutat Forelands in 1970.

In regard to the Yakutat Forelands, the House Interior Committee in 1979 stated, "It is with reluctance that we drop the proposal for wilderness designation of Yakutat Forelands at this time. We trust that special management attention to the unusual wilderness features of this area will allow for continued protection of these values...."

However, the Forest Service has never given special management attention to the unusual wilderness features of the Forelands. In fact, the agency hopes to gain approval by early 1988 to build more than 160 miles of roads across the Forelands and open up a series of sprawling new timber sales in the area.

In regard to West Chichagof-Yakobi, the House Interior Committee in 1979 said: "The wilderness values there are truly exceptional....Fish are among the most important wildlife resources of the area. While most streams are short and originate in relatively small watersheds, the larger systems include Black River, Surge Lake, Lisianski River, Patterson River, Ushk and Deep Bays, and Fick Cove. The latter five are all on the eastern side."

Unfortunately, the "latter five" (Lisianski River, Patterson River, Ushk and Deep Bays, and Fick Cove -- all near upper Hoonah Sound) were never included in the West Chichagof-Yakobi Wilderness. In fact, all but the Lisianski River and Fick Cove are now proposed for logging and/or road building during Alaska Pulp's 1986-90 operating period. The Lisianski River was granted a temporary deferral for the next five years by the Regional Forester because of overwhelming public opposition to its destruction. Local residents of Pelican equate the deferral to a "temporary stay of execution." Wilderness would definitely be the highest and best multiple use of these areas and would serve to protect the existing economically important commercial fisheries. (See Attachment B)

3. Other Key Areas Remain Unprotected

In addition to the above two historic Wilderness proposals, there are a handful of other important areas which are under serious threat from Forest Service plans and the 50-year contracts. These areas should be considered for Wilderness status to protect their important fish and wildlife values and include: the Kadashan watershed, the Chuck River (a logical addition to Tracy Arm-Fords Terror Wilderness), the Nutkwa River drainage (a logical addition to the South Prince of Wales Wilderness), Sawmill Creek in Berners Bay north of Juneau, the Calder-Holbrook area on and near Prince of Wales Island, small additions to the Tebenkof Wilderness on Kuiu Island, parts of Duncan Canal near Petersburg, and Trap Bay near Tenakee Springs. There are other small areas, such as the Karta River, which the Forest Service proposed as Wilderness or roadless backcountry in 1979 which could be given consideration by the Committee for some protective status. In the interim, SEACC will work within the system to see that these areas are managed in a sensitive way. SEACC would be happy to provide detailed information on these important areas to members of this Subcommittee.

Considering the large scale of the Tongass, the above areas suggested for protection do not involve vast acreages nor large amounts of timber volume. For example, the Yakutat Forelands area would represent a reduction of only 4 million board feet per year in timber volume, and the Lisianski River addition to the West Chichagof-Yakobi Wilderness would reduce the available timber by volume by 2 million board feet per year for only a ten year period.

Protection of these key areas could also be achieved by giving them alternate forms of protective land designations. For instance, assigning the Yakutat Forelands to National Preserve status as part of either Glacier Bay National Park and Preserve or as part of the Wrangell-St. Elias National Park and Preserve would be even more logical than Wilderness status under Forest Service management. Wild and Scenic River designations would provide strict buffer strips for important fisheries on the Tongass.

The Society of American Foresters has stated that "the best way to manage for old growth is to conserve an adequate supply of present stands and leave them alone." SEACC believes that the above protective measures would complete the reform package. Such actions would aid the purposes of the Tongass Timber Reform Act to "support resource conservation on the Tongass National Forest" by garnering an "adequate supply" of present old-growth stands for lasting protection.

II. OPPONENTS OF S. 708 HAVE MADE UNFOUNDED CLAIMS

Recently the Alaska Pulp Corporation and the Forest Service have been making unfounded and exaggerated claims about the effects passage of S. 708 would have on Southeast Alaska's residents and economy.

For example, James Clark, attorney for and vice president of Alaska Pulp Corporation, recently claimed in the *Wrangell Sentinel* that small independent operators would be at risk by passage of S. 708. Clark uses Steve Seley's Wrangell Forest Products Mill as his prime example.

It is interesting to note, however, that Seley's mill is the sawmill for Alaska Pulp's contract area. At least 50% of Seley's mill production is from Alaska Pulp's contract. Seley has created a thin facade of being a truly independent operation, even though he leases his mill from Alaska Pulp and is under the corporation's wing. Additionally, it is ironic that one of the same two pulp mills found guilty of anti-trust violations in 1981 and of putting several small independent operators out of business, should now be so concerned over the future of independent operators.

SEACC does agree, however, with another of Mr. Clark's claims in the *Wrangell Sentinel* that elimination of the Tongass Timber Supply Fund would not significantly harm Alaska Pulp or Louisiana Pacific/Ketchikan. Today, the two pulp mills and their subsidiary sawmills make up about 80% of the mill capacity of Southeast Alaska and consume approximately 90% of the logs processed in the region.

A second example of unfounded claims is a "fact" sheet recently circulated regarding the potential disastrous effects of S. 708. Produced by the Forest Service's Stikine Area Office of the Tongass, this "fact" sheet was printed on plain paper and distributed by agency personnel to the media, State of Alaska legislators, and throughout various Southeast Alaska communities. One of the many unfounded statements was the "fact" that the legislation would cost 400-500 Forest Service jobs. The paper also charged that the agency's ability to build roads for small operators would be reduced.

The real facts are that S. 708 would simply change the funding mechanism for the Tongass timber program. The Tongass Land Management Plan would remain unchanged and would still move forward, including the Plan's programs for small business and independent timber sales (75% of Tongass SBA offerings have been sold), for pre-roading, and for intensive management where warranted. Preparation of timber sales would be governed more by the law of supply and demand (not just supply) and not by an inflexible directive caused by failing supply side economics.

It must be noted that the purpose of S. 708 is "To require annual appropriations of funds necessary to support timber management and resource conservation on the Tongass National Forest." The two key words are necessary and support. Annual appropriations would bring about a more balanced approach to timber management and resource conservation on the Tongass.

III. MYTHS ABOUT ANILCA SEC. 705(a) MUST BE DISPELLED

A. The So-called "Compromise" Was Not A Compromise

One frequently heard claim is that ANILCA Section 705 was a great compromise which the environmental community is now going back on -- that "a deal is a deal." During May 1986 Tongass Oversight Hearings before the House Interior Subcommittee on Public Lands, Congressman John Seiberling stated, "Let me just say that the so-called compromise was not a compromise. The House was given it on a 'take it or leave it [no bill]' basis." The language of Section 705 was never reviewed by any congressional committees, nor subject to any hearings. SEACC never agreed to Section 705 in 1980. It was bad law then, and it is bad law now. At House hearings this May on the Tongass Timber Reform Act, Congressman Morris Udall stated, "I cannot imagine why the Congress, after examining the record of failure that surrounds these provisions, should not act to right a wrong entered into by a previous Congress. What is at stake here is much more important than a political arrangement." (See Attachement E)

Section 705 was indeed a good "deal" for Alaska Pulp Corporation and Louisiana Pacific/Ketchikan, however. Their contract areas were almost untouched by ANILCA's Wilderness designations, and in the few cases where they were affected the two mills were granted an equal amount of "substitute timber" under

Section 1315(e). The mills never talk about this clause in ANILCA, since the "substitute timber" granted to them was of better quality and easier accessibility. The "deal" has bean more like a "steal" over the past 30 years. (See Attachment C)

B. The Tongass Timber Supply Fund is Not A "Wilderness Subsidy"

Congressman Don Young, Senator Stevens, and the timber industry claim that the Tongass Timber Supply Fund is a "Wilderness subsidy" because the "Alaska Lands Act excluded lumbermen from working in much of the best Tongass forests."

First, 70% of the 5.4 million acres of officially designated Tongass Wilderness is rock, ice, tundra, or scrub timber. Eighty-five percent of the Wilderness acreage is not suitable for timber harvest. Ninety-seven percent is not considered to be commercially important timber -- only 3% of designated Tongass Wilderness is considered to be commercially important timber (over 30,000 board feet per acre). Over 83% of the commercially important timberlands are located outside of designated Wilderness. This hardly excludes lumbermen from much of the best forests.

Second, the Tongass Timber Supply Fund is a major federal payment to underwrite timber harvest activities on the Tongass, not a subsidy supporting Wilderness. There are nine line items for the fund which include timber sales preparation, timber stand improvement, road construction, engineering support, etc. There is no item listed as "payment for Wilderness."

C. Wilderness Cannot be Blamed for the Cost of Improved Management

In a letter to Rep. Don Young in 1977, then Chief of the Forest Service John McGuire told the Congressman that the Forest Service and timber industry recognized it would be necessary to increase the use of special and marginal timber in the Tongass whether or not ANILCA ever passed.

A range of land-use designations were developed as part of the Tongass Land Management Plan in an attempt to mitigate the impacts of logging activities on other resource values. One of the categories developed was the Land Use Designation (LUD) III -- a less intensive logging category to provide better protection for timbered areas which also have high non-timber resource values. Many LUD III areas would require major additional investments in logging roads over the short term, as timber receipts would cover less of the expense of road building in those areas. "The greatly increased short-term road construction expense in LUD III areas cannot be avoided and has nothing to do with wilderness designations. It is the expense of doing a better job of multipl use management in areas committed to timber harvest," stated the Report on H.R. 39 by the House Interior Committee in 1979.

The Committee also noted that the timber industry was reluctant to shift from its reliance on only the highest quality timber even though they had known for some time that this must be done. "Once again wilderness proposals are being blamed for the costs of improving timber management," stated the Committee. It should also be noted that Native selections removed over 500,000 acres of Tongass National Forest land -- much of it high quality timber. Even so, these lands became part of the regional timber base.

D. Sec. 705(a) and the Contracts Have Not Resulted in Community Stability

The two pulp mills' claim that the 50-years contracts and Section 705 are necessary for ensuring community stability in Southeast Alaska is nothing more than a cruel hoax. First, both contracts threaten the stability of those communities which are dependent on the non-timber renewable resources of the forest. Title VIII of ANILCA recognized that protection of subsistence uses and resources was vital to maintaining the stability and way of life of these other communities. Such communities include Angoon, Craig, Edna Bay, Elfin Cove, Gustavus, Hoonah, Hydaburg, Kasaan, Klawock, Kupreanof, Pelican, Pt. Baker, Port Alexander, Port Protection, Tenakee Springs, and Yakutat, to name a few. These communities have all passed resolutions opposing the current Tongass timber program.

Second, the pulp mills and their contracts have not even been able to maintain community stability within their own home towns of Ketchikan and Sitka. There has been a sad history in both towns of the mills periodically closing, repeated violations of clean air and water standards, reducing the local work force, wages being slashed, labor unrest, repeated threats of the mills being permanently closed to hold workers hostage, and the hard blow of local labor unions being broken. However, the mills have always held environmentalists, the Forest Service, the EPA, or the Unions as the scapegoats for all of their management problems. (See Attachment F)

IV. CONCLUSION

A comprehensive reform package under S. 708, the Tongass Timber Reform Act, is imperative for the survival of the forest's old-growth trees, fish, and wildlife. It is also imperative for preserving the community stability and way of life of the people of the region. The Forest Service has clearly shown that the agency itself is incapable of making changes and bringing about enlightened management of the Tongass from the 1950's into the 1980's.

In the mid 1970's, when I was the team leader on the Forest Service's Southeast Area Guide, I saw a chance for management of the Tongass to turn around. The Area Guide was to be a planning effort to establish a new order of forest practices in partnership with the State of Alaska and the public.

Trying to convince people that the Forest Service was sincere in making changes was the most difficult job of my career. The Area Guide after more than a year of negotiations with agencies, the public, and native groups was an agreement signed by the Regional Forester, the Governor, and generally supported by the interest groups. This was to be the model for managing the Tongass. It was a promise of public and other agency involvement, of using the best scientific information in making decisions, and above all, a promise of honesty and trust with the public. But those promises were not honored. I was deceived into thinking a new era of management was at hand. I, in turn, deceived other people with promises of change. I publicly apologize to them.

The Forest Service argues that times have changed. One needs only to read the plan for Alaska Pulp Corporation's 1986-90 operating period to know there have been no changes. Statements such as "no impacts to subsistence," "no evidence that logging has ever adversely impacted subsistence," or "none of the alternatives is likely to affect tourism," are found throughout the entire plan. The plan paints the same general rosy picture for salmon, bear, marten, and other wildlife.

The Forest Service must honestly examine its assumptions relating to logging, then deal with impacts based on what the public is saying and what literature supports. The agency must look at logging and its impacts in a larger geographic sense and for a longer time period.

The Forest Service is operating on a value system which supports large-scale logging of old-growth forest as the highest and best use of human and natural resources. Planning and decision making are biased to support the agency's value system. As long as the agency sees no problems, then there is no need for solutions!

If there is any doubt as to the agency's complete lack of awareness of the issues, complete insensitivity to what the public is saying, and complete lack of trustworthiness, I urge members of this Committee to read the Alaska Region's November 1986 white paper, "Point Counterpoint." (Attachment D) In this paper, the Forest Service takes issue with a *Readers Digest* article opposing the present management status of the Tongass. Essentially, the agency's response was that there are no problems on the Tongass.

However, one statement in this paper does ring true: "The final decision, as to how the Tongass shall be managed, rests not with the Forest Service, but with the American people." The Forest Service has not been responsive to the needs and suggestions of the people. Therefore, the alternatives of lawsuits and Congressional action are our only hope for achieving meaningful change on the Tongass National Forest.

(Attachment A)

The "450" timber figure for the timber supply goal was first built into the 1979 Tongass Land Management Plan because of commitments to the three then-existing long-term timber contracts. Those contracts amounted to a commitment of 370 million board feet per year. In addition, the Tongass Plan called for a small business independent progran of 80 million board feet per year, for a total planned offering of 450 million board feet per year on the average. There are now only two long-term contracts because Pacific Northern Timber's contract expired the end of 1981. The 70 million board feet allocated for that contract has since been applied to the independent sales program open to all bidders, including Alaska Pulp Corporation and Louisiana Pacific/Ketchikan.

(Attachment B)

Dollars and Sense on the Lisianski River -- A Case Study

by Bart Koehler

The Lisianski River is one of the most productive wild salmon fisheries in Southeast Alaska. According to the Alaska Department of Fish and Game, the Lisianski's pink salmon run is fished every second year for an estimated catch value of $900,000. In addition, the Lisianski River annually produces an estimated $46,000 catch value of coho salmon. (This coho value is only for fish caught within Lisianski Inlet itself.) These catch value figures do not include the indirect economic benefits to fishermen, suppliers, communities, etc. Put in an annual perspective, the Lisianski River is worth $446,000 a year **at the very minimum**, with very little cost in public funds. It should also be noted that these figures do not take into account the recreation or subsistence use value of the area, nor its value for sport hunting and sport fishing.

The Forest Service had plans to log 20 million board feet of timber along the Lisianski River corridor during 1986-90. According to agency figures, the cost in public funds for actual management expenses for logging the area would have ranged from $3-$4+ million. This included expenditure of over $1.6 million for the main permanent roads (not including temporary spur roads). These figures did not include any other costs, such as opportunity costs for the loss of subsistence, recreation, natural and fish and wildlife values.

Using current stumpage prices, the 50-year contract holder for the area, Alaska Pulp Corporation in Sitka, would have paid an average of $2 per thousand board feet for the Lisianski timber. For a cut of 20 million board feet, the Federal Treasury would have seen a mere $40,000 in receipts!

In other words, the Forest Service would have expended $4 million of public funds to manage logging of the Lisianski River and damage the fishery with 21 stream crossings and a number of cutting units adjacent to the river for a return to the Treasury of only $40,000; **versus** protecting the Lisianski River corridor in order to maintain the existing productive fishery which, in a natural state, produces well over $400,000 per year.

Fortunately, a great public outcry stopped logging in the Lisianski for the 1986-90 period. However, it has no permanent protection at this time, and will again be on the chopping block in 1990. The Lisianski River deserves to remain a wild fishery with no logging and no roads. Public support for adding this area to the West Chichagof-Yakobi Wilderness for permanent protection is growing. Certainly, long-term protection of the Lisianski River is the best use of the area and is, without question, the best investment for the public.

(Attachment C)

FACTS ON WILDERNESS AND COMMERCIAL TIMBER IN THE TONGASS NATIONAL FOREST

by Bart Koehler

Not so long ago, the Alaska Logger's Association and Alaska Women in Timber made a series of misleading claims regarding management of the Tongass National Forest. As the debate over the newly introduced Tongass Timber Reform Act heats up, it is important to examine some of these claims.

Claim: The total timber base in the Tongass (the area in which timber harvesting can occur) is only 1.7 million acres.

SEACC: The Tongass timber base is actually 3.4 million acres, of which 1.7 million acres is currently scheduled for clearcutting over the next 100 years. To get the full picture you must also add the 317,000 acres of land which were logged prior to 1979. Those prime timber lands averaged almost 50,000 board feet per acre. This means that over 2 million acres of the Tongass will be clearcut and managed as a "tree farm" (an area roughly the size of Yellowstone National Park).

In order to access this tree farm timber, the Tongass Land Management Plan has allocated 7 million acres of land for "intensive forest management." These lands are committed to roads and logging and have been given the Land Use Designations (LUD) III and IV by the Forest Service. Additionally, there are 2.6 million acres of LUD II lands where roads and salvage timber sales can take place as authorised.

Of the mid- and high-volume old-growth timber lands in the Tongass (commercially important timber over 30,000 board feet per acre), well over 80% have either already been logged or are open to logging and road building now and in the future.

Claim: Logging will affect only 10% of the 17 million acre Tongass in the next 100 years.

SEACC: Commercially important mid- and high-volume timber (over 30,000 board feet per acre) occurs on only 4% of the entire Tongass. These mid- and high-volume stands also happen to be the most valuable habitat for fish and wildlife. Sixty-seven percent of the Tongass is rock, ice, tundra, and scrub timber of little habitat value.

Thus, while it is indeed true that "only 10%" of the Tongass will be logged over the next 100 years, the vast majority of this logging will take place in very important fish and wildlife habitat and subsistence areas. Of the high value fish and wildlife habitat areas recognised by the Forest Service, 70% are still vulnerable to roading and/or logging under the current Tongass Land Management Plan. When you consider the "only 10%" phrase, you must compare it to the fact that a mere 1% (172,000 acres) of commercially important timber is permanently protected from cutting as designated Wilderness. This is vital habitat. This fact makes the "only 10% of the Tongass" being cut, a pretty sobering figure.

Claim: The establishment of Wilderness in the Tongass caused the "loss of over 1.6 million acres of high quality forest land from the timber harvest base."

SEACC: Of the 1.6 million acres classified as commercial forest land in Wilderness, one-half is not considered suitable for harvest (even if it were not in Wilderness). Almost 90% of the commercial forest land in Wilderness is low volume and marginal timber. Only 172,000 acres are considered commercially important timber (over 30,000 board feet per acre). This hardly represents a major withdrawal of "high quality forest lands."

While the loggers try to state that the 1.7 million acres scheduled for harvest and the 1.6 million acres of commercial forest land in Wilderness are comparable, they are not. There is far more high quality commercial forest land scheduled for cutting than is protected as Wilderness. Over four-fifths of the commercially important timber is on the chopping block. In other words, while the amount of acreage is comparatively equal, the quality of the timber is not.

Claim: The passage of the Alaska National Interest Lands Conservation Act (ANILCA) resulted in a great "lock up" of millions of acres of high quality timber lands in designated Wilderness.

SEACC: ANILCA designated 5.4 million acres of Wilderness in the Tongass. Seventy percent of this acreage is rock, ice, tundra, and scrub timber. Eighty-five percent of this acreage is not suitable for timber harvest. Ninety-seven percent of the Wilderness is not considered to be commercially important timber. Only 10,000 acres of the prime 50,000 board feet per acre timber (also prime habitat) is protected as Wilderness. Ninety percent or 90,000 acres of this high-volume class that has not already been cut is classified as non-wilderness.

Claim: Alaska Women in Timber have gone so far as to claim that "large areas of old growth are protected in the wilderness for posterity. Over 52% of the Tongass National Forest is old-growth forest that is not available for timber harvest."

SEACC: This referenced 52% of the Tongass is the amount of land, not old-growth, that is in a permanent or temporarily protected status (LUD I, II, or I Release). Of these 8.8 million acres that Alaska Women in Timber claims are not available for timber harvest, only 210,000 acres (2.5%) are considered commercially important timber lands (over 30,000 board feet per acre).

Lands in LUD I status are congressionally designated Wilderness areas permanently protected from logging or other development. LUD I Release are lands which were proposed for Wilderness but were not passed by Congress. LUD II is a Roadless Backcountry administrative status given by the Forest Service. Lands in LUD II status are not permanently protected by law and can be roaded under certain conditions, as well as roaded and logged for salvage timber sales. Lands in LUD I Release and LUD II will be subject to change in status when the Tongass Land Management Plan is revised in 1989.

Claim: "A deal is a deal." ANILCA Section 705 was a great compromise that the environmental community is now going back on.

SEACC: This so called "deal" of Section 705 was put together during last minute closed door meetings in the Senate, and then forced upon the House of Representatives on a "take it or leave it (no bill)" basis. The language of Section 705 was never even reviewed by any congressional committees, nor subject to any hearings. SEACC never agreed to Section 705 in 1980. It was bad law then, and it is bad law now.

It is true that Alaska Pulp Corporation (APC) and Louisiana Pacific/Ketchikan (LPK), the two 50-year contract holders, did indeed get a good "deal." Their contract areas were almost untouched by ANILCA's Wilderness designations, and in the few cases where they were affected the two mills were granted an equal amount of "substitute timber" under Section 1315(e). The mills never talk about this clause in ANILCA, since the "substitute timber" granted to them was of better quality and easier accessibility. Additionally, they receive substantial benefits from Section 705's Tongass Timber Supply Fund -- a guaranteed minimum of $40 million annually.

The 1980 passage of ANILCA was a financial boon to the region's two pulp mills, not the disaster they would have you believe. For 1986 alone, Forest Service figures show that Tongass Timber Supply Fund expenditures were $48 million, plus another $5 million was spent for other timber related activities. Of the total $53 million spent on the Tongass Timber Program, nearly one-half ($24 million) was spent just on road building. As if Section 705's Tongass Timber Supply Fund was not enough, APC and LPK were given additional special treatment in 1981 and 1982 when they were granted "emergency rate redeterminations" to reduce their stumpage fees (the amount the companies pay for timber). For example, the amount APC must pay for spruce sawlogs appraised at $216 per thousand board feet was reduced to just over $2 per thousand board feet!

It is interesting to compare timber program expenditures to the rest of the Forest Service's programs for "multiple-use" of the Tongass. According to Forest Service figures for 1986, only 12% of the entire Tongass budget was spent for fish, wildlife and recreation programs combined. For example, less than $2 million was spent on fisheries programs. To add insult to injury, the public is charged $1 for Forest Service maps of Prince of Wales Island, but incredibly, for that same price APC and LPK can buy a western hemlock tree 28 inches in diameter and 100 feet tall in the Tongass National Forest.

Despite all this, the two pulp mills, under the guise of the Alaska Loggers Association, constantly complain that the Forest Service is not spending enough money to help their industry! It is important to note here that when the mills complain that the Timber Supply Fund should be maintaining jobs at the peak levels of the 1970's, the Forest Service's answer is that no amount of ANILCA funds could have maintained the timber industry employment at historic levels due to the lack of demand for Tongass Forest timber products.

While the Tongass Timber Supply Fund of Section 705 adds fuel to the fire of Tongass mismanagement, the root of the problem is really the two 50-year timber contracts held by APC and LPK. SEACC has long been on record in support of the termination of these contracts. The contracts should be replaced by the good old American concept known as competitive bidding. We should embark on a program which would encourage small and moderate scale independent timber operations which are labor intensive and which would provide wood products for domestic use. On the basis of what the two pulp mills are now paying for the right to cut timber in their contract areas, the federal government could buy back these timber cutting rights for $15 million.

ANILCA Section 705 and the two timber contracts have resulted in an incredible rip-off of public tax dollars and public forest resources. People in Alaska, as well as across the nation, are now calling for reforms on the Tongass. In Southeast Alaska, 14 communities, all of the region's commercial fishing organizations, the United Fishermen of Alaska, and several Native village corporations all oppose the current timber program on the Tongass. As one life-long Southeast Alaskan put it, "The Forest Service also has a contract with the American people, and I think it is time for them to finally honor that contract."

(Attachment D)

ALASKA REGION
NOVEMBER, 1986

POINT COUNTERPOINT

Time To Ax This Timber Boondoggle

*This article appeared in the October, 1986 edition of *The Readers Digest*. It was written by Bennett H. Beach, of the Wilderness Society. The article is based upon a study conducted by the Wilderness Society, and funded by the Andrew W. Mellow Foundation and the Lila Acheson Wallace Fund. Lila Acheson Wallace was a founder of *Readers Digest*.

Will Congress allow special interests to destroy one of the world's natural wonders?

Some 4000 miles from Washington, D.C., deep in an ancient Alaskan rain forest, the federal government is running a business that loses 98 cents on every taxpayer dollar it spends. Losses are more than $50 million a year. Meanwhile this logging operation, under U.S. Forest Service supervision, is destroying the only largely intact rain forest left in the world's temperate zones. The government's purpose is to create a timber industry in southeast Alaska, and that is failing as well.

This particular boondoggle started innocently enough. Southeast Alaska is a 500-mile panhandle running along the Pacific Ocean. Eighty percent of it lies in the Tongass National Forest, at 16.8 million acres the largest of our 155 national forests. Ever since the early 1900s, the federal government has seen timbering as an ideal way to attract warm bodies to this cold, wet, isolated piece of America.

Early efforts were a bust. Finally, in the 1950s, the Forest Service persuaded two large pulp companies to set up shop there. Among the inducements were 50-year contracts and bargain-basement timber prices, so that they could compete against mills in Washington State.

The market for the forest's output was Japan, with small percentages going to other Pacific-rim countries. The pulp-grade timber, about 60 percent of the average Tongass clear-cutting, ultimately was turned into rayon and cellophane. The rest was shipped as logs to be milled overseas and used for housing construction and special items such as pianos.

Though at the outset demand was reasonably strong, the government still lost money in this job-creating venture. An average mile of road built to reach the trees costs $150,000. To make the undertaking profitable for the companies, the government had to provide a large subsidy.

In 1980 the Alaska National Interest Lands Conservation Act (ANILCA) sought to preserve 5.4 million acres of the Tongass as permanent wilderness. Alaska timber interests, led by Sen. Ted Stevens (R., Alaska), manuevered to change the legislation.

(Continued)

Managing The Tongass National Forest For All Of America

*This article was prepared by the Public Affairs staff of the Alaska Region of the Forest Service.

Far from destroying the Tongass National Forest, the Forest Service since 1907, has been improving the timber, fish, wildlife, and community stability of Southeast Alaska. Congress, for its part, included over 2.8 million acres of old-growth rain forest on the Tongass, as part of 5.4 million acres of designated Wilderness or National Monuments. The local timber industry has suffered over the last four years from poor markets, but these markets are gradually improving. Use of Tongass NF timber resources is recognized in government contract law, the Alaska National Interest Lands Conservation Act (ANILCA) and the National Forest Management Act.

In the 1950's, new industries were being encouraged by Alaskans. The U.S. government used timber development on the Tongass as a way to provide stable, year-long jobs for people wanting to live on the last frontier. It worked. People still come North seeking and finding new lives as loggers and millworkers, and enjoying the lush beauty of Alaska's coastal forests.

The government offered 50-year timber contracts as an inducement, but required companies to invest in Alaska by building multi-million dollar mills. The contracts provided the companies with long-term, stable sources of wood. No price breaks were given to the long-term sale holders. They pay fair market prices established every five years.

The timber and pulp that are exported bring cash into America from abroad. Also, to provide jobs in America, logs are required to be processed in local mills for U.S. and foreign customers. Except for trees killed by insects or windstorms, no unprocessed logs from National Forests are shipped out of Alaska.

Demand for Tongass NF timber was strong for most of the '70's, fell in the early '80's, and is now slowly increasing. Road costs, always high in Alaska, increased when stronger environmental quality standards were set. In addition, the amount of timber available for harvest decreased because logging is prohibited in those areas designated by Congress as Wilderness. To offset this loss of available timber, the government raised its level of investment.

In 1980, after lengthy debate and negotiation by all concerned parties, Congress, through ANILCA, not only sought, but in fact designated, over 5.4 million acres of the Tongass as Wilderness. Indeed, only 11% of the Tongass NF is scheduled to be logged over the next 100 years. That works out to about 1/10 of 1% of the Tongass per year. Even in harvest areas, protection and enhancement of other resources, such as fisheries, is always considered and planned for.

(Continued)

Timber Boondoggle

The result was Section 705 of ANILCA, which set a goal of selling 4.5 billion board feet from the Tongass per decade, roughly one percent of the nation's total output. To cover the costs of building roads, surveying and overhead, the section provides a minimum $40-million permanent annual appropriation, "or as much as the Secretary of Agriculture finds is necessary," to meet the goal.

Meanwhile, modern technology had found synthetic substitutes to be cheaper than pulp for making sandwich wrappers and rayon shirts. Countries such as South Africa, where trees grow more quickly and are cheaper to harvest, underbid Alaska for the remaining demand.

Timber jobs in southeast Alaska began to dry up. Since passage of ANILCA six years ago, they have declined by 40 percent, to fewer than 1800. In 1984 the demand for board feet was slightly over half of the 450 million feet per year contemplated by Section 705.

Undeterred, the Forest Service squandered $11 million on roads and other preparatory steps for timber sales that no company would bid on. For each job still maintained by the Tongass program, U.S. taxpayers are kicking in $36,000 a year. The two prime beneficiaries of this largess are the Ketchikan Pulp Co. and the Japanese-owned Alaska Pulp Corp.

Even in southeast Alaska, the Forest Service's enthusiasm for timber cutting is not universally appreciated. Commercial fishermen told Congress that the logging and road-building cause erosion damaging to world-famous salmon-spawning beds. Log-transfer facilities along the shore have forced out some fishing fleets. The area's fishing industry provides more jobs than the timber industry does—without federal subsidy.

The logging also threatens tourism, the region's fastest-growing industry, now creating more jobs all the time.

Then there is the matter of a magnificent natural wonder being destroyed. The Tongass features thousands of lakes, islands and streams. There are alpine meadows and fjords against a backdrop of snowcapped mountains. Sitka spruce that were seedlings when King John signed the Magna Charta soar 250 feet. And this rare rain forest contains the world's largest concentrations of bald eagles and grizzly bears.

(Continued)

Managing The Tongass

Congress also directed the Forest Service to continue to make available to industry an average of 450 million board feet per year; 13% less than the 520 million board feet per year the industry had been offered in the 1970's. To fund the timber management program and the variety of activities relating to harvest (such as archaeological inventories, fisheries and wildlife protection measures, water quality protection, and soil stability studies), Congress added enough money ($11.7 million) to the existing funding levels to create a continuing appropriation of at least $40 million per year.

Meanwhile, other industries began to provide competing products. Oil, for example, can produce cheap substitutes for some pulp products produced from trees. However, oil is a nonrenewable resource while trees are renewable. Nations such as South Africa, with modern technology and inexpensive labor, compete directly by supplying pulp at lower dollar cost.

While the amount of timber cut on the Tongass NF has declined by nearly 50% since 1980, the total amount of timber cut and exported from Southeast Alaska has remained about the same. The reason is that wood from former National Forest land, now privately owned by Alaska Native Corporations, is being exported to foreign markets in the form of unprocessed timber called round logs. These corporations received these lands as a part of the Alaska Native Claims Settlement Act.

Some sales "sit on the shelf" for a time before they sell. Because the Forest Service needs several years to address environmental concerns, obtain necessary permits and satisfy other requirements for each sale, it is difficult to respond quickly to rapidly changing market conditions. So when markets for National Forest timber fall quickly, it is not surprising that buyers wait, and sales do not sell. As markets improve, sales will again be sold. The monetary returns to the U.S. treasury from road investments are not lost, only delayed.

Many people gain their livelihood from the Tongass NF. Commercial fishermen are reaping record harvests from waters adjacent to the Tongass NF and its world-famous salmon-spawning beds. For nearly a generation, strict environmental standards have assured the continued productivity of the many streams on the Tongass. Millions of taxpayer dollars have been invested in removing stream barriers, building fish passes, and fertilizing lakes. Although no direct dollars return to the U.S. treasury, a slippery flood of salmon flows to foreign markets bringing jobs and cash to the U.S.

Tourists visit communities such as Ketchikan, Sitka, and Wrangell, which were built by loggers, miners, and fishermen, in part to see what people have built and how life is lived in Alaska. Most tourists never see or notice logging or modern logged areas on the Tongass. Recently harvested areas are usually far from view or blended with surrounding terrain.

The 15 million acres of the Tongass that will never be cut under present management direction contain thousands of lakes and streams. Alpine meadows and fjords against a backdrop of snowcapped mountains can be viewed from any one of over a hundred Forest Service recreation cabins. Giant Sitka spruce that were but seedlings when Alaska was purchased from Russia in 1867, stand next to acres of burgeoning seedlings that will provide forests for the future. The world's largest concentrations of brown bears and bald eagles are safe here. They are neither threatened nor endangered in Alaska.

(Continued)

Timber Boondoggle

The Forest Service stubbornly insists on believing that the timber program is good for the local economy. That has been its premise for 75 years, and such long-held views are hard to change. Since the advent of the post-World War II housing boom, national forests have supplied about 20 percent of this country's timber. The Forest Service, a 38,000-employee bureaucracy, has staffed up with surveyors, road engineers and others who move up the ranks by putting lots of board feet on the scoreboard. Convincing them that it makes no economic sense is nearly impossible.

This is a problem not only in Alaska. Two years ago, studies by the General Accounting Office, the Congressional Research Society and the Wilderness Society revealed that timber programs in many national forests are costing taxpayers more than what timber companies are paying for the wood. The losses in the last fiscal year alone amounted to hundreds of millions of dollars. The Forest Service conceded that 37 percent of its timber is being sold below cost.

But the Tongass is the only forest with a money-losing timber program written into law. Fortunately Section 705 calls for a review of the program after five years. The House Interior and Insular Affairs Committee has now completed oversight hearings. This review of the Tongass timber program gives us a chance to save money, save nature, and save face—if Congress has the fortitude to stop this boondoggle.

Managing The Tongass

Since the 50-year contracts were let in the 1950's, timber industry's employment in Southeast Alaska grew from about 29% of natural resource employment to over 50% in the 1970's, to about 40% today. Further, employment has become year-round, helping people to settle in Alaska. The Forest Service has carried out its management mission on the Tongass, beginning with a one-man staff in 1907. As new demands were made on the Forest, the service's ranks increased to meet these demands. How the Tongass should be used has changed over the years, but never the Forest Service's commitment to sound management. Today, fisheries and wildlife biologists, hydrologists, foresters, soils scientists, engineers, archaeologists, landscape architects, and other professionals and administrators help meet Alaska's and our country's needs.

Management of the Tongass will continue to change as our knowledge and values change. The final decision, as to how the Tongass shall be managed, rests not with the Forest Service, but with the American people.

Further information may be received by writing

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Forest Service
P.O. Box 1628
Juneau, Alaska 99802

(Attachment E)

Southeast Alaska Conservation Council
SEACC • P.O. Box 021692 • Juneau, Alaska 99802 • (907-586-6942)

Washington, DC Office
c/o National Audubon Society
801 Pennsylvania Avenue, S.E.
Washington, DC 20003
(202-547-0141)

May 31, 1987

The Honorable Morris K. Udall, Chairman
House Committee on Interior and Insular Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Udall:

Thank you for attending and presenting your excellent statement at the hearings concerning H.R. 1516, the Tongass Timber Reform Act. I thought that they were successful hearings, and SEACC certainly appreciated your invitation to present our written and oral concerns for the record. Accordingly, the remainder of this letter presents SEACC's responses to a number of unfounded statements made at the hearings by opponents to H.R. 1516. We respectfully request that our comments be made a part of the official hearing record regarding H.R. 1516.

The First Day

1. "A deal's a deal", by Congressman Young:

We believe that your opening remarks more than adequately dispelled his statement. It is interesting to note that Rep. Young chastised the conservation community by saying, "They lost then, now they want to play the game over." That phrase apparently refers to the alleged compromise of Sec. 705 of ANILCA. If we lost, how could it be a compromise or a deal? Second, it was not a game, it was a law. Section 705 was bad law in 1980, and it is bad law now.

Perhaps pulp company lobbyist Jim Clark best described the "deal" in the October 5, 1985 Wrangell Sentinel when he said, "In 1980 it looked as though we had won...." No wonder they have so adamantly defended the so-called "compromise."

2. "The subsidy was for wilderness," by Congressman Young:

We have countered this in many ways -- please refer to our testimony on pages 23-24. We must re-emphasize that your Committee in 1979 noted that increased expenses for road construction in marginal areas "has nothing to do with wilderness designations." Your Committee went on to say, "Once again wilderness proposals are being blamed for the costs of improving timber management."

JUNEAU GROUP SIERRA CLUB • LYNN CANAL CONSERVATION Haines • SITKA CONSERVATION SOCIETY
ALASKA SOCIETY OF AMERICAN FOREST DWELLERS Point Baker • FRIENDS OF BERNERS BAY Juneau • PELICAN FORESTRY COUNCIL
[illegible] CONSERVATION COALITION Petersburg • FRIENDS OF GLACIER BAY Gustavus • TONGASS CONSERVATION SOCIETY Ketchikan
ISLAND KOOK LAKE [illegible] CIL Tenakee Springs • WRANGELL RESOURCE COUNCIL • TAKU CO[illegible]VATION SOCIETY Juneau

3. "The timber industry is subsidizing the Forest Service," by Don Finney. (Mr.Finney spoke for the Alaska Loggers Association; not only is he a former high official for Louisiana Pacific-Ketchikan, but he is currently the project manager for U.S. Borax.):

We can only assume that Finney is referring to all the miles of logging roads that the pulp mills "built" for the Forest Service through purchaser credits. Although the timber operator may put the money "up front" to build a certain road, the Federal Government underwrites this program via purchaser credit. The Forest Service explains this process as follows:

> ...timber purchasers build roads associated with specific timber sales but receive a credit for the roads through reduced payments for the timber harvested... The cost of these roads, up to the amount of available purchaser credit, are deducted from the amount of stumpage paid to the government.... Costs incurred by timber purchasers in building roads are credited against the value of the timber (stumpage) when it is sold." (See page 27; '985 Timber Supply and Demand Report, USFS, 10/6/86.)

It is clear that the Forest Service is subsidizing the timber industry.

4. "Wilderness brings no income and no tax base," by Pat Rowland, Alaska Women in Timber:

It is well documented that the tourism industry is extremely important to the economy of Southeast Alaska. The Forest Service's Sec. 706(b) Report on the Status of the Management of the Tongass (page 35) stated the following:

> The majority of the tour operators saw the formal creation of Wilderness as a means of protecting the resource their businesses need to grow. Natural attractions were seen as the primary basis behind much of the tourism industry in Southeast Alaska. They viewed the long-term growth and security of their firms as dependent upon the way in which the natural character of the landscape, both inside and outside of Wilderness, is managed. The operators also indicated that national designation (of Wilderness) benefited their businesses in terms of marketing and advertising.

Wilderness is also important for protecting vital habitat crucial t the commercial fishing industry in the region. Unlike the timber program on the Tongass, the management of the designated Wilderness in the forest is extremely cost-effective and enhances community stability. Protection of the many threatened "million dollar" commercial fishing watersheds as Wilderness would provide greater long term economic benefits than any other management program.

5. "They took away 50% of our timber," by Jim Rynearson (testifying on behalf of the state Chamber of Commerce; Rynearson is also a Vice President for Alaska Pulp Corporation):

ANILCA included Sec. 1315 (e) which granted substitute timber to the two 50 year contract holders in the instances where their contract areas were impacted by Wilderness designations. This substitute timber has been of better quality and has had easier accessibility. Beyond this, Wilderness designations barely included any of the original contract areas. Admiralty Island is often cited as the example of the great lock up of timber. Admiralty was in neither contract area. Besides this, only 20% of the commercial forest land on the island is over 30,000 board feet per acre (commercially important). The best timber on the island was logged in the 1960s and early 1970s.

The Second Day

1. "Under Sec.705 there will never be any expansion...of the timber industry," by Senator Ted Stevens:

Contrary to this statement, the Tongass Land Management Plan (p. 172) of 1979 projected a slight growth in the region using the assumptions later codified in Sec. 705: "Timber-related employment increases slightly over the 1970-76 average at a 450 million board feet/yr harvest from the National Forest plus State and private timber."

2. "5.4 million acres of Tongass timberlands...the best volume was set aside -- 5.4 million acres of it," by Senator Ted Stevens:

Senator Stevens made the same claim in December of 1985. The Forest Service's response to Senator Stevens' claim that the "most productive areas of the Tongass" were placed in Wilderness went as follows: "The statement that the most productive areas of the Tongass were included in the Wilderness designations is unfounded." Additionally, the testimony given at the hearings by the State of Alaska verified SEACC's figures pertaining to Wilderness and commercially important timberlands. (see page 2 of the State of Alaska testimony and SEACC's submission " Facts on Tongass wilderness and timber".)

3. "The price paid for Wilderness is the $40 million," by Dale Robertson, Chief of the Forest Service:

We have discussed this in depth previously. Please see page 25 of our statement. Additionally, the money that the Forest

Service estimated that would be needed to access marginal lands was $11.7 million -- not $40 million. This estimate was based on the now-erroneous assumption that there would be a constant market demand at historically high levels.

4. "We've had record catches of salmon..." by Dale Robertson, strongly suggesting that the Forest Service should take credit for the record catches:

The best response to this outrageous claim is found in the joint statement by the Alaska Trollers Association, United Southeast Gillnetters, Southeast Seine Boat Owners and Operators Association, and the Petersburg Vessel Owners:

> The Forest Service argues that fish runs have increased during the last few years, even implying that improved run strength is due to forestry practices. Such statements are worse than misleading. For the Forest Service to take credit for the State of Alaska's much improved management practices, for a succession of exceptionally good years for salmon ocean survival, for the reduction of foreign fleet salmon interceptions on the high seas, and for the catch reductions endured by Alaska fishermen in the name of conservation is an affront to the public and to Congress. ...Only the extremely depressed condition of the world timber market has kept many areas of high potential for fish habitat destruction from being logged [emphasis added]. (see page 134 of the USFS Sec.706(b) Report).

5. "The primary purpose of the Forest Service on the Tongass is to stabilize the economy," by Dale Robertson:

We believe the primary purpose of the Forest Service is to manage a public resource for multiple use. However, this is impossible as long as the 50 year contracts dominate the management of 2/3 of the Tongass. Regarding economic stabilization, the Forest Service stated during the 1986 Oversight Hearings: "Given the reduced demand for Alaska sawn products in export markets since 1981, no amount of ANILCA investments could have maintained the timber industry employment at historic levels [emphasis added]." (p. 475 Hearing Report). The Sec. 705 funding mechanism has not worked and will not work.

6. "We have to spread the harvest around," by Dale Robertson:

This means logging in remote drainages and in some of the very highest value commercial fishing watersheds. It is a measured plan to eliminate as much wild country as possible before a reconsideration of potential new wilderness areas can take place under the Tongass Land Management Plan Revision process. We feel that instead of an extensive timber management program (as

Robertson put it, "You have to build roads"), we should have an intensive timber management program that utilizes existing roads, pumps money into managing a select group of watersheds as a tree farm, and assists existing mills to re-tool to produce value-added specialty products. The agency gives lip-service to intensive management while they march on, building roads into the "raw country" of Alaska.

7. "Timber is cyclical", by Dale Robertson:

In other words, the supply side economics of Sec. 705 has not worked.

8. "We're managing and replacing the forest," by Dale Robertson:

The Forest Service is mining the non-renewable old growth rain forest left in the Tongass and replacing it with even-aged stands of second growth inferior in biological and structural diversity and incapable of supporting the rich array of fish and wildlife upon which the region depends.

9. "If we lose the Tongass Timber Supply Fund, we wouldn't have the stability the Fund provides," by Dale Robertson:

Current use of the TTSF is threatening the community stability of many towns in southeast Alaska. Fourteen of those towns have passed resolutions asking Congress to return Tongass funding to the normal appropriations process, like every other national forest in the country. We believe the "stability" Chief Robertson is concerned about is the high level of employment of Forest Service bureaucrats in the Tongass provided by virtual entitlement through Sec. 705.

10. "Costs to manage the timber program are over $100 per thousand board feet of timber," by Dale Robertson:

Our conservative estimates show that it cost the Forest Service over $150 to manage a thousand board feet of timber (management costs = operating costs + investment costs). The two pulp mills currently pay an average of $2 per thousand board feet of timber, under provisions of their 50 year timber sale contracts. Independent operators, (the few that remain) pay up to $40 per thousand board feet for timber.

How much do the mills make on this timber? The selling value of 30,000+ board feet per acre volume timber in the pond for Alaska Pulp Corp. is estimated at $190 per thousand board feet; when you add in the manufacturing costs and then look at the end product sale price, you still witness a profit of almost $200 per thousand board feet. (see page 4-5 of the Final EIS APC 86-90 Operating Plan). Another indicator found in the 1986 Supply and Demand Report (table 5, page 13) is that the exported unit value of lumber and cants from the Tongass in 1986 was $273 per thousand board feet, and was approximately $350 per thousand board feet for woodpulp.

11. "It costs $30 million to maintain the obligation to the two 50 year contract holders -- at a rate of 300 million board feet per year," by Dale Robertson:

The actual level of investment to maintain a timber program of 362 million board feet per year (62 million board feet more than the contract allotment) was estimated at $23.5 million in the Tongass Land Management Plan. (see page xv)

12. "No, the statute doesn't compel me to do it," by Dale Robertson, when asked if he felt he had to meet the 4.5 billion board feet per decade timber supply goal/target:

In 1984, Chief Max Peterson told Congress that "the Act specifically directs the Secretary of Agriculture to maintain the timber supply in the Tongass at 4.5 billion board feet." (He also said that "we were the ones that said we don't want Congress to start setting allowable harvest.") More recently, the 1986 Forest Service Supply and Demand Report (April 1987) stated the following: " The purpose of the funding (Sec. 705(a)) is to provide a timber supply of 4.5 billion board feet per decade." The Report went on to say:

> The Forest Service also interprets the Congressional commitment in Sec. 705(a) and related provisions in ANILCA as an affirmation of the Tongass Land Management Plan and as direction to the Forest Service to use the special funding to maintain a timber supply from the Tongass National Forest at a rate of 4.5 billion board feet per decade, unless and until Congress directs otherwise [emphasis added]. (see page 9 of the above report)

In a recent court case, City of Tenakee Springs v. Courtright, (April 1987), the Forest Service stated: "Congress in enacting ANILCA clearly understood and intended that the Forest Service would maintain a harvest level of 4.5 billion board feet per decade."

13. "They (the 50 year contract holders) have some rights with the contracts," by Regional Forester Mike Barton:

Indeed they do "have some rights." For example, in regard to the Alaska Pulp Corporation, the Forest Service has stated, "...they have the contractual right to expect the Forest Service to make available 521 million board feet of new timber volume for the 86-90 period [emphasis added]" (see page 2-7 of the Final EIS for

APC 86-90 Plan.) The above document goes on to state that "...the purchaser (APC) must give consent prior to terminating the long term timber contract."

The Forest Service itself has admitted that provisions of the contract (APC) severely restrict the proper management of the forest resource (see Reid Brothers Review Team Report of 1982). Most recently the Forest Service said, "The APC contract, which Congress reaffirmed in Sec.15 of NFMA, is perhaps the greatest constraint on the discretion of the Forest Service." (see Forest Service legal reply, April 1987, regarding City of Tenakee Springs v. Courtright.)

SEACC believes that Congress should cancel these anachronistic contracts and allow the Forest Service to manage the Tongass like every other forrest in the country.

14. "The outlook is great for Tongass timber," by Dale Robertson:

As recently as October 1986 the Forest Service's official position was "Unless a major new market can be found for Southeast Alaska's pulp and/or its lower grade logs, a long term decline in Alaska's pulp industry is anticipated, even with short term market improvements [emphasis added]." (see page 15 of the 1985 Supply and Demand Report). We feel that the Chief is speaking about "short term market improvements."

15. "The Tongass is a major provider of products to Japan," by Dale Robertson:

The Forest Service's own Supply and Demand Report for 1983 -- dated April, 1984 -- painted a different picture. The following are statements from that report:

> Alaska is a relatively small supplier to the Japanese market, accounting for 0.7 percent of their woodchip imports in 1982. Alaska supplied 3.5 percent of Japan's imported dissolving pulp in 1982. The Alaska share of the Japanese woodpulp market is again small (less than 1 percent) and not likely to gain much... Alaska timber accounted for 5.1 percent of Japan's softwood log and lumber imports. (see pages 28 & 32 of the above report).

Sources in the Forest Service recently stated that the above percentages have most likely declined over the past few years.

16. "Tourism is booming because of roads", by Ketchikan Mayor Ted Ferry (also similar statements like, "The timber industry is subsidizing the tourism industry"):

Tourists may use roads on Prince of Wales Island to a limited degree; but in general the road/tourist linkup is a bogus claim. The Forest Service has noted (page 67 of the Sec.706(b) Report) that the situation on Prince of Wales Island "is not representative of all Southeast Alaska."

Most of the islands and mainland of our region are essentially roadless. Tourists, as a general rule, travel by tourship, ferry, and airplane to view the scenery or reach a destination. Ferries can transport tourists and "winnebagos" but that type of use is a very minor percentage of the total tourist picture. Roads also lead to pressure on sport fisheries, poaching, illegal bear kills, disruption of habitat, and cause increased sedimentation in streams. As the Congressional Research Service pointed out in Dec. of 1984 regarding roads, "the direct costs may contradict the direct benefits."

The Forest Service has noted that "most of the Forest Service roads are predominately used for timber harvesting, especially those that are not arterial roads." (see Responses to the Public Review Draft of the Sec. 706(b) Report, July, 1985). Perhaps an editorial from the Island News (Prince of Wales' only newspaper) put it best,

> ...Often we hear that the money the Forest Service spends on roads isn't to subsidize the timber industry, but to provide roads for multiple use. That sounds like a bunch of bull when you try to drive the roads and find that nothing has been done to maintain them since the last logger hauled out the last load of logs....

17. "Money should be spent for roads for the long term (50 year) contract holders" by Mayor Dan Keck of Sitka:

The Alaska Pulp Corporation of Sitka has been pushing to get the Forest Service to allocate funds (from the Tongass Timber Supply Fund) for constructing roads to access their 50 year contract area. The Deputy Assistant General Counsel of the Dept. of Agriculture, James Perry, declared in December of 1986 that such a proposal was beyond the existing authority of the Forest Service. Furthermore, the existing Forest Service policy does not permit using the Timber Supply Fund to construct pre-roads within areas of normal operability (LUD IVs) in the 50 year contract areas. The policy states that "Pre-roading of LUD IV units of normal operability would not be appropriate even though the volume (at current appraised rates) does not carry the costs of roads." APC wants the Forest Service to build (and pay for) roads that would be in normal operability LUD IV units.

As recently as last year, APC tried to get an amendment tacked on the Admiralty Island Bill which would "clarify" the language of

Sec.705 to direct the Forest Service to pay for roads for the 50 year contract holders. The Bill failed because of this attempt. Nevertheless, in a letter to Senator Ted Stevens (dated August 1, 1986) the Forest Service stated:

> The Forest Service estimate of the cost for implementing your strategy for existing contracts (having the Forest Service construct and/or augment (Government provides funds for purchaser construction) roads and facility construction on existing and future timber sales) is approximately $41 million. In addition, the estimated cost for continued implementation of the strategy for future 5-year operating plans on the long-term sales and new short-term sales could be up to $20 million annually under current market conditions. This compares to the $11.4 million currently programmed for road construction in Fiscal Year 1987.

19. Several statements by Steve Seley, Wrangell Wood Products:

Seley mentioned spending $21 million in re-building his plant in 1980. APC spent the money to up-grade the mill -- not Seley. Seley began leasing the mill from APC in 1984. His mill is the sawmill for Alaska Pulp Corporation's contract area (see page 21 of SEACC testimony) and at least 50% of his production is from APC's contract area.

Seley also noted that he "needs roads of industry's choice" and spoke of the Forest Service's responsibility to provide profitable timber for his mill. During last year's oversight hearings, the Forest Service stated:

> There is a sufficient timber supply to maintain a viable timber industry in southeast Alaska....This supply does not guarantee profits to existing industry regardless of market conditions. The Alaska timber industry must compete in world markets and establish its own market share. (see page 474 of the Oversight Hearing Report).

20. "Are tourists and timber compatible?", posed by Congressman Don Young:

Congressman John Seiberling had an interesting remark during last year's oversight hearings: "I'm sure of one thing. There are darn few tourists that go to Alaska to look at a pulp mill or a clearcut." A very enlightening (and humorous) discussion in this regard is found on page 82 of the Hearing Record Report.

21. "H.R. 1516 will hurt the small operator," by Jim Clark, legal counsel and director of Alaska Pulp Corporation:

Mr. Clark is simply crying crocodile tears for the small independent operators. His mill and LPK put many independent operators out of business as a result of the mills' anti-trust activities. (see pages 21-22 of SEACC's statement.)

22. "I'm scared to face the appropriations process", by Jim Clark:

SEACC believes Congress should appropriate the level of funding for the Tongass National Forest each year. The timber industry in southeast Alaska has nothing to fear from a process used on every other forest in the nation.

Congressman Udall, we sincerely appreciate this opportunity to address the statements made during the hearings on H.R. 1516. We at SEACC thank you for your steadfast defense of the integrity of the Tongass National Forest. We look forward to seeing you and your Committee in our region in August.

Best regards,

BART

Bart Koehler
Executive Director

(Attachment F)

NEWS *from* Southeast Alaska Conservation Council

SEACC • P.O. Box 021692 • Juneau, Alaska 99802 • (907-586-6942)
c/o National Audubon Society • 801 Pennsylvania Avenue, S.E.
Washington D.C. 20003 • (202-547-0141)

Contact: Bart Koehler, Executive Director, 586-6942

Please use for *Op-Ed / My Turn* column

October 27, 1987

ABUSE OF 50-YEAR TIMBER CONTRACTS WARRANTS THEIR TERMINATION

Supporters of the two pulp mills in Southeast Alaska like to claim that the National Forest Management Act (NFMA) of 1976 (Sec. 15(b)) validated the 50-year contracts, and that the Alaska Lands Act, in essence, reaffirmed the contracts. SEACC disagrees.

NFMA declared that the contracts should be brought under full compliance of that Act. Thus far, the Forest Service has failed to do so. Further, as has been pointed out repeatedly, the Alaska Lands Act created pork-barrel language (Sec. 705(a)) which served to underwrite the operations of these mills and perpetuate their dominance over the region.

Since 1980, the two pulp mills have seriously abused the privilege of holding the 50-year contracts:

- 1981: Both mills found guilty of anti-trust violations, including price fixing, collusive bidding, and forcing independent operations out of business.
- 1981: Forest Service estimated anti-trust practices cheated government out of $60-80 million.
- 1982: Both mills given incredible price break: "emergency rate redeterminations" dropped the price of prime spruce from $216 to $2.26 per thousand board feet, while today's selling price for the wood is hundreds of times greater.
- Both mills repeatedly violate clean air and clean water standards (attachment).
- Both mills crushed their labor unions--so much for their alleged concern for stable local employment.
- 1987: APC files breach of contract claim against Forest Service, claiming the federal government owes them $80 million.
- 1987: Thirty bald eagles found shot to death at LPK logging camp garbage dump.
- 1987: If the contracts go unchecked, a number of critically important fish and wildlife areas will be on the chopping block, and ultimately lost.

The Forest Service's own contract review team declared that provisions of the Alaska Pulp Corporation contract "severely restrict the proper management of the forest resource." Most recently, the agency stated that the "APC contract is perhaps the greatest constraint on the discretion of the Forest Service."

According to the Forest Service, the Multiple-Use Sustained Yield Act of 1960 policy requires that "wildlife and fish are considered equally with the recreation, timber management, watershed and other programs on national forests." SEACC believes that implementation of true multiple use management for the Tongass is impossible as long as the contracts dictate future timber harvest levels.

Congressman John Seiberling put it best during May 1986 Tongass Oversight Hearings: "I don't feel that either Louisiana Pacific or APC have any equity in their claim that they came over here to make an investment based on the 50-year contracts. Their conduct, squeezing small people out of business, violating our anti-trust laws, has long ago eliminated any moral claim they had for the continuation of that... It seems to me that the best thing to do would be to scrap the contracts and put APC and Louisiana Pacific on the same basis as everybody else."

SEACC believes that the contracts need to be cancelled in the national interest, and replaced with a system of short-term sales and competitive bidding.

Southeast Alaska Conservation Council
SEACC • P.O. Box 021692 • Juneau, Alaska 99802 • (907-586-6942)

Oral Statement of
K.J. METCALF
representing the
SOUTHEAST ALASKA CONSERVATION COUNCIL
in support of
S. 708 (TONGASS TIMBER REFORM ACT)
Before the
U.S SENATE PUBLIC LANDS, NATIONAL PARKS AND FORESTS SUBCOMMITTEE
November 5, 1987

Mr. Chairman, members of the Committee, thank you for the opportunity to testify today. My name is KJ Metcalf; I live in Angoon, Alaska, a small rural village of 600 people. I am speaking for the Southeast Alaska Conservation Council (SEACC), a grassroots coalition of 12 organizations from 10 communities and 750 individual members. SEACC is made up of people who live and work in the Tongass National Forest. SEACC strongly supports passage of S. 708.

I want to emphasize my background of 20 years in planning and public information with the Forest Service on the Tongass. I was the planning team leader for the first phase of the Tongass Land Management Plan and remained on the planning team through completion of the Plan. Prior to my retirement in 1982, I was Manager of Admiralty Island National Monument. During my Forest Service career I received a number of awards for my work, and I

JUNEAU GROUP SIERRA CLUB • LYNN CANAL CONSERVATION, Haines • SITKA CONSERVATION SOCIETY
ALASKA SOCIETY OF AMERICAN FOREST DWELLERS, Point Baker • FRIENDS OF BERNERS BAY, Juneau • PELICAN FORESTRY COUNCIL
NARROWS CONSERVATION COALITION, Petersburg • FRIENDS OF GLACIER BAY, Gustavus • TONGASS CONSERVATION SOCIETY, Ketchikan
FALSE ISLAND-KOOK LAKE COUNCIL, Tenakee Springs • WRANGELL RESOURCE COUNCIL • TAKU CONSERVATION SOCIETY, Juneau

feel I was a valued employee to the Service. Today I continue to be actively involved in Tongass issues as a member of the public.

Tuesday the Chief of the Forest Service asked you to trust the planning process to solve the profound problems that trouble the Tongass. The Chief's testimony gives the impression that any political decision should wait until revision of the Tongass Plan. Political decisions have always steered Tongass management. In 1947 Congress passed the Tongass Timber Act which cleared the way for the 50-year timber contracts. During preparation of the Tongass Plan, the Forest Service was faced with major controversy over its timber management and unwillingness to nominate Wilderness areas that contained commercially valuable old-growth forests. Congress tried to solve the dilemma with passage of the Alaska Lands Act (ANILCA). With the guidance provided by Congress, the Forest Service was then left to implement the new Tongass Plan, a plan heavily dependent on assumptions, predicted consequences, and promises to protect other resources. But Congress provided in ANILCA Section 706(b) that if the Forest Service wasn't able to accomplish all that it promised, it was expected to come back to Congress for help.

As you will hear from me and other witnesses today, the Forest Service has not been able to keep its commitments, and has not shown the leadership to even acknowledge that there are problems. On Tuesday the Chief of the Forest Service sat here and told you, in essence, that there are no major problems on the Tongass, and that any legislation should be based on the revised Tongass plan.

With all due respect to the Chief, I'm here to tell you that the Tongass Plan Revision is doomed to failure. No matter how much effort the Forest Service puts into this Revision, no matter how much money it takes, or how much public involvement is solicited, the answers will still be the same as today -- the 450 is viewed as a mandate, the 50-year contracts are viewed as a mandate, the mission to cut timber is viewed as a mandate. Two weeks ago I met with the new leader for the Tongass Plan Revision. He assured me all reasonable alternatives would be examined. He also said that the preferred alternative would have to meet the 450 mandate and satisfy the two pulp mill contracts. I know of no other national forest with the level of controversy and with the complexities of the Tongass. I predict that it will take 4-7 years to complete the Revision and that it will cost $4-5 million. The Forest Service is faced with a mammoth undertaking, an impossible time schedule, and the results will be no different than current management.

We now know our planning assumptions were wrong. The 450 and the 50-year contracts are not sustainable over the long-term without damaging other values. The commitments made in the Tongass Plan for protection of fish and wildlife habitat, protection of subsistence opportunities, and community stability were promised, but delivered only to the extent that the timber harvest allowed.

I'm afraid that multiple use on the Tongass still means timber, roads, and more timber.

Essentially the Chief says, "Trust us." However, sixteen communities in the Tongass and all the commercial fishing groups in Southeast Alaska have lost confidence in the Forest Service planning process. These communities and fishing organizations have passed resolutions opposing current Tongass management because it threatens their way of life. The community of Tenakee Springs has gone further. Twice in the last four years, Tenakee Springs has sued to stop logging and roading. The communities of Point Baker and Port Protection are now appealing timber sales in preparation for going to court, as are Native Tlingit clans from the villages of Hoonah and Kake. The public has been forced to go to the courts and to Congress for help.

The problems of the Tongass were created by political decisions and the solutions can only be found in political decisions. Congress needs to get management of the Tongass back on track. Without Congressional action we face a continued elimination of the remaining old-growth forests.

The Tongass Forest must be put under multiple use management and the forest planning system allowed to work. To achieve this, Congress must remove the mandated 450 timber supply goal and put Tongass timber program funds back under the normal appropriations process. S. 708 does that much and we support it. But we must go further by cancelling the 50-year contracts and replacing them with short-term sales and competitive bidding, and by granting lasting protection with Wilderness designation to a small number of key watersheds. This will safeguard economically important commercial fishery habitat and prime old growth that was left out of the Alaska Lands Act at the urging of the mills.

Two points constantly heard in these hearings deserve clarification:

> A deal is a deal. The 450 board foot figure and the Tongass Timber Supply Funds were to be implemented through the Tongass Land Management Plan. That Plan was the only deal that I'm aware of. The Plan promised that: all fish habitat would be protected, retention of wildlife habitat in each drainage would be adequate for viable populations, subsistence opportunities would be protected, and that it would provide for community stability. The Plan promised that 27% of the timber harvest would come from low volume/ marginal stands.
>
> This panel has traveled from Alaska to tell you that that deal has not been kept. The Forest Service has done its best to provide the 450 annual board feet from high volume stands at the expense of the other provisions of the Plan. The contract between the Federal Government and the American people has been broken!

The second point is: The price paid for Wilderness. In no other national forest has the timber industry been paid because there is an effort to manage public lands under multiple use. This assumes that the timber industry owns all of the land/timber in a national forest and if any Wilderness is designated then they get compensated because they couldn't cut all the timber! No! Wilderness is part of the legislated multiple use of national forests. Public lands! It must also be noted that of the 5.4 million acres of Wilderness, only 3% (180,000 acres) is commercially important timber land (over 30,000 board feet per acre). The two pulp mills in the Tongass lost no timber in ANILCA. Their contracted volumes were protected.

Third, the Redwood buyout which has been mentioned involved private, not public, lands.

SEACC is a local conservation group. We live in Southeast. Some of us log for a living and some log for subsistence. We support a timber industry in Alaska, but not this timber industry. We support actions that would encourage and foster small and moderate size independent timber operations in our region. We believe the timber industry should be re-structured so that it is compatible with the renewable resource industries of the forest, including commercial fishing and tourism, and with the protection of key fish and wildlife habitat and subsistence use areas. A re-structured industry can still utilize pulp grade logs either in a pulp mill or in a chipping facility, and logs could even be exported to the lower 48 states. We support more intensive management of already developed lands and second-growth forest areas. We want to re-establish those good old American concepts of free enterprise and competition to the Tongass. We just think the pulp mills should operate on the same competitive basis as everyone else. Nothing we are asking you to do will stop their operations. We are simply asking that our forest be managed like all the others.

During my years with the Forest Service I advocated an enlightened land ethic. I trusted the Forest Service planning process, and I worked hard to convince others to trust the Forest Service planning process. Today, however, I am sickened at what is happening on the Tongass. The Tongass Plan predictions are wrong. The Tongass Plan promises are broken. Today I'd like to publicly apologize for promising to people that the Tongass Plan would result in true multiple use management. I want to apologize to the public for asking them to trust the Plan.

I know the Forest Service, I know the planning process. That's why I'm here and that's why SEACC is here. We believe that Congress should act to ensure that the Tongass will be managed for true balanced multiple use for the benefit of all the American people.

ALASKA CENTER FOR THE ENVIRONMENT
AMERICAN LITTORAL SOCIETY
AMERICAN RIVERS
APPALACHIAN MOUNTAIN CLUB
DEFENDERS OF WILDLIFE
ENVIRONMENTAL DEFENCE FUND
ENVIRONMENTAL POLICY INSTITUTE
FRIENDS OF THE EARTH
GARDEN CLUB OF AMERICA
NATIONAL AUDUBON SOCIETY
NATIONAL PARKS AND CONSERVATION ASSOCIATION
NATIONAL TAXPAYERS UNION
NATURAL RESOURCES DEFENCE COUNCIL
NORTHERN ALASKA ENVIRONMENTAL CENTER
RIVERS UNLIMITED
SIERRA CLUB
SOUTHEAST ALASKA CONSERVATION COUNCIL
TRUSTEES FOR ALASKA
THE WILDERNESS SOCIETY

July 24, 1987

Dear Senator,

We are writing you to urge your sponsorship and support of the Tongass Timber Reform Act (S. 708). This important legislation will save millions of taxpayer dollars while helping to preserve the last large remaining expanse of temperate rain forest in North America.

Section 705 of the Alaska Lands Act (ANILCA) provides a special "off budget" appropriation of $40 million or more to the Forest Service every year, establishes a cutting target of 4.5 billion board feet per decade in the Tongass, and exempts the Tongass from important reforms in the National Forest Management Act.

The sad legacy of Section 705 is reflected in the Forest Service's record on the Tongass since 1980:

*** The Forest Service lost up to 99 cents on the dollar for Tongass timber sold from 1982-1986.

*** Losses from timber sales on the Tongass have totalled more than $50 million per year since 1982.

*** Since 1980, the Forest Service has prepared over 1.7 billion board feet of timber for sale that no one will buy.

*** Timber employment was 3600 in 1980; by 1986 it had dropped below 2000 despite the infusion of $287 million in federal cash.

Forest Service mismanagement has been exacerbated by the conduct of two large pulp companies (Lousiana Pacific-Ketchikan and the Tokyo-based Alaska Pulp Corporation) that were granted sweetheart fifty year contracts in the 1950s:

*** In 1981, federal courts found the two pulp mills guilty of anti-trust violations for running independent loggers out of business.

*** A Forest Service review in 1981 revealed that the two mills cheated the U.S. Treasury of $60-80 million dollars through double invoicing and other illegal acts.

*** Before 1982, the two mills paid $200.00 per thousand board feet for prime timber.

***The two mills currently pay $2.00 per thousand board feet for timber, about the same price they paid in the 1950s when the fifty year contracts were signed.

Also since 1980, the destructive effects of the massive, subsidized timber program on the Tongass have increasingly threatened southeast Alaska's sustainable industries and the communities that rely on them:

*** Tourism, the fastest growing industry, and commercial fishing, the largest cash industry in southeast Alaska, together employ over 6000 people.

*** One-half of the best salmon-producing Tongass watersheds are targeted for clear cutting.

*** Alaska Department of Fish and Game studies project 50%-90% reductions in deer populations in logged watersheds.

*** In 1986, 14 southeast Alaska communities passed resolutions asking for elimination of Section 705.

The Tongass Timber Reform Act is a responsible and reasonable start to reforming the management of America's largest national forest. We urge you to co-sponsor S. 708 and to push for its swift passage.

Statement of Sylvia Geraghty

Representing Alaskans for Responsible Resource Management (ARRM)

Supporting S. 708

Before the U.S. Senate Public Lands, National Parks and Forests Subcommittee

November 5, 1987

My name is Sylvia Geraghty. I'm from Tokeen, Alaska, and I'm here representing Alaskans for Responsible Resource Management (ARRM). Although our members include fishermen, trappers, subsistence users, tree thinners, fishing support facility operators, as well as others, I would like to limit this testimony to the concerns of those members who are small, independent timber operators. We support S. 708 and urge further reform legislation.

These operators and their employees are Alaskans, and proud of it. They usually own homes in Alaska, live there full time, year round, raise their families in Alaska and have a large stake in and concern for what the future holds, not only for the timber industry, but for all Alaskans. On the other hand, the large LPK and APC camps have imported virtually all of their workers from out of State, mostly from Washington and Oregon. When they refer to going "home", they are not talking about Wrangell, Ketchikan, or other Alaskan cities. While small operators work all winter unless the weather forces a temporary halt, the large camps all shut down, an annual event eagerly anticipated and usually enjoyed outside the

State of Alaska. As further evidence of this seasonal layoff planned and engineered by the fifty year contract holders, there exists in Alaska a unique and separate school system, with two months off in the middle of each winter so students and their families can spend the holidays "home" in Forks, Washington or Sweet Home, Oregon. The "rocking chair money" supplied annually by unemployment checks is a nice little bonus to workers who have no intention of working during the winter. When you hear that these timber jobs are held by Alaskans, take it with a large grain of salt. A substantial number, almost half, of timber industry workers are not Alaskans and never will be. Certainly these workers have the right to work in Alaska whether they live there or not, but they should not be called Alaskans.

The Forest Service administers a small independent program referred to as an SBA set aside program. These are the only sales available to independent operators. The Small Business Administration defines a small business as one which employs less than 500 employees. In reality, a small logging operation can employ as few as two employees and almost always employs less than twenty-five. Despite years of effort by small operators to reduce the 500 to a more reasonable number, it remains in effect, thereby permitting the large 50 year contract holders to bid against small operators on set aside sales when their employment figures drop below 500, as occasionally happens. However, independent operators cannot bid on sales within the huge, exclusive areas reserved for use by the 50 year contract holders, unless the pulp mill owners grant special permission which is an exceeding rare occurence.

These two contract holders, Louisiana Pacific - Ketchikan (LPK) and Alaska Pulp Corporation (APC) enjoy a number of advantages not available to independent logging operators in addition to exclusive areas of operation, such as assured continuous timber supply, miniscule stumpage fees, and, most importantly, a guaranteed profit from their operations. It is indeed right that a primary manufacturing law should apply to these contract holders to require a certain amount of work to be performed in Alaska prior to the export of their saw logs.

The situation is completely different for independent operators. Instead of the $2 per thousand board feet paid by LPK for prime old growth spruce, a small operator recently bid $125 per thousand for all spruce on a sale, including those far from prime old growth. This is some 6,000 percent over what LPK pays. Obviously, competitive bidding on SBA set-aside sales is certainly a reality. However, selling the products of those sales at competitive prices is not. Forest Service policy denies small independent operators the right to seek the best price for their products, and especially denies them the right to ship intrastate, even when they are totally unable to find a buyer in Alaska, or can only sell at a substantial net loss. They are victims of an exclusive purchasing and pricing power granted to the fifty year contract holders and enforced by the Forest Service. Small operators can not sell competitively, even when a sale contains as much as 50% dead, blown down trees.

The Forest Service seems to be strangely reluctant to put sales up on blowdown timber, even when an operator is in the area already and recommends certain patches that he is aware of. Some blowdown simply rots away for lack of scheduled sales. It would seem that a high priority should be placed on utilizing the timber that has blown down naturally, rather than concentrating on standing green trees.

Other problems faced by independent operators are short life of sale times which force them to buy more equipment and hire more men than they need just to meet time constraints, a lack of continuity in sales, and poor quality of timber.

While independent operators have been able to export a certain number of logs in the past, that policy has changed and it is no longer allowed. It is felt that this is entirely due to the pressure of LPK and APC to force the small operators to sell all of their timber to the pulp mills at prices substantially lower than what they would receive if they were able to export or even to ship intrastate.

Although the Forest Service scales and sells spruce almost entirely as saw logs, at a high price, the mills will not buy anything but the very finest, clear old growth at a saw log price. Everything else goes for a pulp log price, even though these same logs could be sold as saw logs if the independent operators could ship them out of State. The Forest Service claims it is "not feasible" to allow such shipments.

If the Forest Service was really interested in assisting the small operators, now would be an ideal time to allow them to selectively harvest cedar alongside existing units utilizing roads already built. The price is excellent, the market is good, and the operators, most of whom barely manage to hang in there, could finally make a solid profit from their efforts, especially if they were allowed to ship intrastate. However, the possibility of the Forest Service allowing this is so remote as to be ludicrous.

Indeed, independent operators and sales are considered so unimportant that the Forest Service small sale administrator position was quietly eliminated three years ago and has never been reinstated.

Alaska Loggers Association claims to represent all of the timber operators in Southeast Alaska. While it is true that most, if not all, operators are members of ALA, it is because of their excellent group insurance plan and radio communication system, and not because they share the same view of the industry. Many small operators vehemently disagree with the positions of the ALA spokesmen, whom they feel represent only LPK and APC, the main source of funding for ALA. You will not hear these small operators speaking out in public, though. They are far too aware of what could happen if their only market was to suddenly be closed to them. They do not want special treatment, only a fair chance to make a living. That is what is being denied to them now because of the terms of the 50 year contracts and ANILCA provisions.

Small independent operators all agree that we need at least one pulp mill or perhaps several smaller chip mills for pulp quality timber. We need several dimensional and specialty product mills. We need a Forest Service dedicated to a permanent, sustainable localized timber industry, as well as a vastly expanded multiple use program. We need more Alaskans employed in the timber industry and involved in decisions affecting that industry. These options and opportunities can never be a reality until Congress acts to remove the archaic, restrictive conditions existing on the Tongass. Passage of S. 708 would help make these needed changes possible.

UNITED PAPERWORKERS INTERNATIONAL UNION
POLITICAL EDUCATION PROGRAM

pep

WAYNE E. GLENN
President

GEORGE H. O'BEA, JR.

JOHN M. DEFEE
Secretary-Treasurer

November 4, 1987

The Honorable Dale Bumpers
Chairman
Public Lands Sub-Committee
U.S. Senate
Washington, D.C. 20510

Dear Senator Bumpers:

The United Paperworkers International Union, 265,000 members strong, supports S.708, the Tongass Timber Reform Act.

Sincerely,

George O'Bea, Jr.
George O'Bea, Jr.
Vice President

GO:jrm

Senator Fowler. Thank you, Mr. Metcalf.

Mr. Gordon Williams, Alaska Trollers Association, Angoon.

STATEMENT OF GORDON WILLIAMS, ALASKA TROLLERS ASSOCIATION, ANGOON, AK; ACCOMPANIED BY BONNIE KADEN

Mr. Williams. Thank you, Mr. Chairman. My name is Gordon Williams. I am a lifelong resident of southeast Alaska, currently residing in Angoon.

For the last 10 years I have been a commercial salmon fisherman. I am currently the chairman of our local fish and game advisory committee. And from 1981 to 1986 I was chairman of the Southeast Regional Fish and Game Council, which has representation from 21 southeast Alaska communities.

I am here today representing myself and the prevailing views of the four major commercial fishing organizations in southeast Alaska. They are the United Fishermen of Alaska, the Alaska Trollers Association, the Southeast Alaska Seiners Association, and the United Southeast Alaska Gillnetters.

The pertinent question for you is, why are we here today? As I believe Senator Wirth said on Tuesday, you have a full plate before you, and we understand that your time is valuable.

We are here out of frustration. We have not given up on the other forums for Tongass management. We certainly would prefer to be in them than this one. All too often, however, we find out that true multiple use planning cannot take place because of barriers such as ANILCA section 705.

We are here asking for some relief from these constraints so that we can get the protections we need for our industry's long-term viability through the regular planning process.

The commercial fishing industry in Southeast is a very important part of our economy. A recently-released report by the University of Alaska that was based on data for the year of 1984 shows that there were 3,350 direct jobs in harvesting and processing in Southeast Alaska.

That is a seasonally-adjusted number. In other words, it is a 12-month average. The high months of June and July were close to 7,000 jobs. Those jobs generated $99 million of personal income.

That was 40 percent of the total private industry personal income in southeast Alaska, if you discard government. Just private industry, it was 40 percent.

While we fully realize that a timber industry is also an important part of our economy, we cannot support the status quo, because we feel that the status quo is made up of harvest levels and harvesting methods that threaten our long-term viability.

Undoubtedly you have heard, and we heard it again the other day from the chief of the Forest Service, that the record fish harvests of the recent years are proof positive that logging obviously does not affect fish stocks.

We do not buy this assessment, and you should not either. Fish population success depends on many factors, the most important of those are habitat, weather conditions, ocean survival, and fisheries management.

We have been on a real roll of a combination of these factors in the state in the last decade. We still have a lot of very good habitat. We have had a decade of generally very mild weather conditions.

We have had above average ocean survival of our fish. And the conservative management policies of the 1970's are paying off big dividends in the 1980's. We simply cannot gamble that this combination of factors will sustain us in the long-term.

1987, in fact, gave us a preview of a different scenario. Our overall harvest in southeast Alaska was down rather dramatically. The worst area of fish returns was off of Prince of Wales Island in southern southeast.

While it is still too early to assess exactly why this has happened, this is also the area of Southeast that has been most heavily impacted by logging on both Federal and private lands.

Also, a drought by southeast Alaska standards, any time it does not rain for 60 days, it is a drought in southeast. And that happened this summer. And it caused a lot of fish mortality in various streams.

Again, the worst of these mortalities were in southern southeast. And the worst of the worst was in areas that had been logged extensively.

The old-growth forest canopy, with its ground cover and streamside vegetation, is nature's way of mitigating against harsh weather conditions. We cannot control the weather or many of the mortalities we have at sea. But we can protect the habitat.

Another very pertinent question is, why is there so much controversy on a forest so vast and diverse as the Tongass? Again, as you have heard before, it is the major watersheds in the lower elevation areas that are the hot spots for all the multiple uses on the Tongass.

They contain the best timber volumes, the best fish and game habitat, the best tourism opportunities, and the best areas for subsistence and recreation.

It was our understanding that in large part Section 705 of ANILCA was to help alleviate some of this conflict by providing monies to the Forest Service to do several things. Most importantly, it was to help them access marginal timber that was out of these economic and use hot spots.

Second, they were supposed to explore alternative logging techniques to see if things other than clear-cut logging would be appropriate in some areas. It certainly has not worked that way.

Instead, the money has been portrayed, and we have heard it here, as a wilderness subsidy for the contract holders. Although they were compensated with equal lands and/or volume for whatever they lost in 1980, somehow we still seem to have some sort of obligation to provide whatever is necessary to them to make them more viable.

Thus we have many hundreds of miles of new roads, often into these high-value areas, that we thought were going to be protected. Thus it has become obvious to us that section 705 is not good legislation.

It mandates a level of natural resource use that is not market-oriented. It also provides too loose of a funding provision. While it indeed takes a lot of money to properly manage a forest the size of the Tongass for multiple use, it needs better oversight as to how it is spent.

As commercial fishermen, we understand that some Government aid to industry can be a very good thing. We get some. However, Government aid is not good if it is being provided to one industry at the detriment of others.

In conclusion, I would like to say that we are always sorry to see this discussion reduced to overly-simplistic terms. Some of those are outside environmental groups versus Alaskans who want to be left alone. I think this panel is an example of Alaskans who have a real stake in this argument.

So we would like to again reiterate that we do not propose the elimination of the timber harvest or a timber industry from the Tongass. What we ask for is relief from some of the congressional mandates that are frustrating multiple use management and what we think will harm commercial fishing industry in the longterm.

The passage of this bill would help us down the path toward that end. The three major private sector industries in Southeast are fishing, tourism, and timber. We can all co-exist if we are given the right atmosphere to do so.

With me here today is Bonnie Kaden. She is an eloquent spokesperson for our burgeoning tourism industry in southeast. Due to time constraints, she is not going to be evidently able to present her testimony.

She has turned it in in writing. But I seriously hope that you will take time to question her closely about this very, very important industry and its relationship to the Tongass. Thank you.

[The prepared statements of Mr. Williams and Ms. Kaden follow:]

Testimony of
Gordon Williams
on behalf of
ALASKA TROLLERS ASSOCIATION
UNITED FISHERMEN OF ALASKA
SOUTHEAST ALASKA SEINE BOAT OWNERS AND OPERATORS ASSOC.
UNITED SOUTHEAST ALASKA GILLNETTERS
before the
U.S. Senate Subcommittee on Public Lands, National Parks and Forests
regarding S. 708, the Tongass Timber Reform Act
November 5, 1987

Mr. Chairman, members of the Subcommittee, my name is Gordon Williams. I am a lifelong resident of southeast Alaska where I currently reside in Angoon. I have been a commercial salmon fisherman for the past ten years, am currently the chairman of my local Fish and Game Advisory Committee, and from 1982-1986 was chairman of the Southeast Alaska Regional Fish and Game Council, an entity created through section 805 of ANILCA to aid in the monitoring and management of our fish and game resources. This involvement, combined with my personal observations and experiences, has convinced me that current management direction of the Tongass is not in the long term best interests of myself, my community, my industry, or my state and country as a whole. I am here today representing myself, and the prevailing views of the four major fishing industry groups in southeast Alaska, these are the Alaska Trollers Association, the United Fishermen of Alaska, the Southeast Alaska Seiners Association, and the United Southeast Alaska Gillnetters.

We are here to seek your help in correcting the priorities for management of the Tongass. While we certainly have not given up on attempting to gain consideration and needed reforms through the public planning and input processes provided by the Forest Service, it is a fact that only Congressional action will facilitate the type of relief that is needed. We are becoming increasingly frustrated that we always find ourselves fighting an uphill battle with regard to multiple-use planning. The terms of the 50-year timber harvest contracts and the timber supply mandate of Section 705 of ANILCA constantly do an end run around the standard forest planning process. This backwards approach to resource management usually finds other legitimate users and dependents of non-timber resources of the Tongass being accused of attempting to infringe upon the rather exclusive use of public lands that a private timber entity feels has already been directly or tacitly promised to them. The result of this is often a grand waste of my peoples' time, energy, and money fighting administrative and legal battles. Today we are fortunate that the dedication of public lands is not even more tragic. Had it not been for extensive public opposition and a dose of more modern economic reality, we would find ourselves with at least two more pulp mills in Southeast (one in Juneau, one in

Wrangell) that would be operating under equally ill conceived long-term contracts. As late as 1977, the Forest Service was expressing the desire to harvest over 98% of the commercial timber on the Tongass within the next 50 years. While this situation was altered somewhat through the preparation of the Tongass Land Management Plan and the passage of ANILCA, it is still abundantly clear that current Tongass management is skewed far too much toward timber harvest. This is not good long-term public policy and not good long-term economics.

When one first looks at the Tongass and its statistics on size, forested acreage, etc., it is hard for many to understand why there is so much conflict. These statistics, however, are very misleading when it comes to the economics of the forest and its ability to accommodate multiple uses. The reason that there is so much conflict is that the watersheds and lower elevation areas nearer our beaches are the key areas of old growth timber that provide the highest timber volumes per acre, the best fish and game habitat, the best tourism opportunities, and the best lands for subsistence and recreation. It is the protection of the overall values in these areas that is at the heart of the debate over Tongass land use.

It was the understanding of most people in my industry, many others in Alaska, and many here in Congress that Sections 705 and 706 of ANILCA were to help address this problem. Monies provided to the Forest Service were in large part to be used to access more marginal timber that is found in areas of less overall value, and to seriously pursue the development of alternative logging techniques that would be less damaging than clear-cutting. It was also understood that there would be serious, periodic reviews of the land base and other facets of the forest to see if the Forest Service could indeed continue to offer 4.5 billion board feet of timber for harvest each decade and still manage the forest for the multiple uses and protections mandated by the National Forest Management Act, ANILCA, the Alaska Area Guide, etc.

What we have seen, however, is quite different. Although the two contract holders were compensated for any timber lands that were removed from their contract areas, the pulp industry often portrays section 705 as a "wilderness subsidy", i.e., compensation for lost timber harvest opportunities on the Tongass. Furthermore, they appear to feel that section 705 guarantees that they be profitable regardless of timber markets or business practices. The Forest Service, for its part, has used section 705 to greatly expand their road system, often planning and/or building roads into key areas in a thinly veiled attempt to predispose the land designation that might be given these areas in the future. Additionally, through reports such as the 706(b) Report of 1985, the Forest Service continues to fail to portray to Congress the escalating problems on the Tongass. In short, the ambiguity of the wording of section 705, the lack of oversight on spending, and the inability of the Forest Service to handle tough land use allocation decisions is causing additional conflict among user groups.

In the course of discussion of the Tongass, you have or will undoubtably hear that the record fish harvests in Southeast the past several years (this does not include 1987 in which harvests are down) are proof positive that current logging practices have not and will not harm our fish stocks. We do not agree with this assessment. The success of our salmon stocks that hatch and rear on the Tongass, travel out to sea to feed, and return 2 to 5 years later as spawning adults is dependent upon many factors, the most important of these are: 1) habitat 2) weather conditions 3) ocean survival 4) fishing pressure. The recent bounty of our fish harvests can be attributed to favorable combinations of many of these factors. We still have a great deal of unspoiled habitat, our weather has generally been very mild, the ocean survival of fish has been far above historic levels, and the conservative fisheries management regimes instituted by our Alaska Department of Fish and Game in the 1970's have paid off in the 80's.

We simply cannot gamble that this combination of factors will sustain us. A growing volume of research and opinion of many of the most knowledgeable persons in the field points to long-term, cumulative problems with fish stocks and logging. 1987 has already given us a preview of this scenario:

1) The overall harvest of salmon declined rather dramatically in 1987. The area of largest run failure was the outside coastal area in southern Southeast off of Prince of Wales and Dall Islands. While it is too early to assess why this happened, this area is also the section of Southeast that has seen the most logging activity.

2) A prolonged drought (by southeast Alaska standards) occurred this past summer. While numerous streams saw fish mortality, some of the worst again were in the southern southeast area where extensive logging had occurred. Staney Creek and Shaheen Creek (estimates of 16,000 and 4,000 mortalities respectively) are two of the more obvious examples. Attached to my written testimony is a copy of an Alaska Department of Fish and Game news release that details their concerns in this area.

3) The Yakutat Forelands, an important area of fish habitat that has been scheduled for roading and harvest, has received in excess of 70 inches of rain in the last 50 days. We have serious concerns as to what damage would have occurred here from flooding and excessive siltation if extensive logging and related activities had been conducted.

The old growth forest canopy with its related heavy ground cover, appropriate streamside vegetation, etc. is Nature's way of mitigating against weather induced problems. Current logging practices are not providing the type of watershed and streamside environment that offers the needed protection against landslides, flooding, increased siltation, and destructive extremes of temperature.

While I could go on and on about the Tongass and its management problems, the pertinent question is what can be done. S. 708 helps us down the road to better forest management in the following ways:

1) The removal of the 4.5 billion board foot supply mandate will help return forest planning to a supply and demand forum within which true multiple-use planning can take place. The past four years have emphasized the fallacy of mandating natural resource use levels. Much time, energy, and money has been expended by the Forest Service in planning and offering sales that stood no chance of being successfully bid upon because of the timber market. The pressure to offer this volume of timber to the industry at the lowest possible cost will always create added conflict between the various interests on the Tongass.

2) Putting funding for Tongass management activities back into the appropriations process will bring more fiscal responsibility. As a commercial fisherman, I fully realize and appreciate the value of government aid for the stability of our industry. However, having been involved in seeking and maintaining federal and state aid for various fisheries programs, we have always had to deal with the bottom line of economic and social returns for justifying the government outlay. Certainly if our project was seen to have long-term negative impacts on a community, an area, another fish species, or another industry, there was increased scrutiny of the project and it was often altered or not funded. The automatic provision of 40 million dollars or as much as the Secretary of Agriculture finds necessary is much too loose of a funding system. While proper management and enhancement of opportunities on the Tongass may indeed require this amount of money, or more, the funding must be returned to a more public forum in order that the intent for its uses can be clarified.

3) The total exclusion of the Tongass from Section 6(k) of the National Forest Management Act is not warranted. It is the delineation of the best and highest uses of the lands of the Tongass that is vitally necessary for obtaining proper recognition of the variety of resource values. This would be a great aid in protection of fisheries habitat, and planning for our exploding tourist industry.

4) The addition of a reporting requirement that would keep Congress better informed of the ongoing relationship between timber management, subsistence resources, and fish and wildlife habitat is very important if the 706(b) reports to Congress are to be truly comprehensive. ANILCA addresses subsistence and fish and wildlife management in many areas,

making it important to understand how these values are faring in the dynamics of forest management.

We are always sorry to see this debate reduced to simplistic absolutes. The portrayal that this is merely an issue of outside environmentalists that want to totally lock up our state versus Alaskans who want the status quo is not true. Commercial fishing in southeast Alaska is a very viable, sustainable industry that has a legitimate stake in the management of the Tongass.

A recently released report compiled by the University of Alaska based on 1984 data shows that the commercial fishing industry in southeast Alaska provided 3,350 direct jobs in fish harvesting and processing. This figure is the annual average, as employment during the peak months in the summer was in excess of 6500 jobs. The personal income of those involved in the industry was $99 million, which amounted to 40% of the total income of the private sector. Thus, while we fully realize that _a_ healthy timber industry is an important part of our overall economy, it cannot be at the expense of fishing and tourism interests.

We ask that legislative changes be made with regard to the Tongass because we have been told time and time again that the Forest Service does not have the ability to give us the protections we need and still live up to their obligations under ANILCA and the 50 year contracts. This situation must be altered in forums such as this in order that a rational plan for the long term viability of the Tongass and all its user groups can be formulated. We have little doubt that if the time, energy, and money that is being spent trying to justify this current situation were to be spent in seeking new solutions, they would be found. We look forward to such a day.

In conclusion, I would like to again emphasize that we are here before you out of frustration. Major concerns over logging practices on federal, state, and Native lands is rapidly coalescing persons and groups throughout Southeast. While the fishing organizations whose views I represent are often at bitter odds over fishery allocation issues and related matters, we all have a common interest in protecting our fisheries habitat. We do not want to see southeast Alaska without a timber industry, nor do we want to see Tongass funding reduced to a level where proper forestry and multiple use management cannot take place. We can not however live any longer with the status quo, changes need to be made and S. 708 will facilitate them.

Thank you for your time. We stand ready to meet with you at any time to provide more information about our industry and our relationship with the Tongass.

UNITED FISHERMEN OF ALASKA

Jack Cadigan
Executive Director
907-586-2820
1-800-478-FISH

UNITED FISHERMEN OF ALASKA

RESOLUTION 87-6

WHEREAS the presence of a clean healthy habitat is essential to the welfare of southeast Alaska's fisheries resource; and

WHEREAS the Tongass National Forest encompasses a large portion of southeast Alaska and contains therein the freshwater spawning habitat vital to the salmon resource; and

WHEREAS Section 705 of the Alaska National Interest Lands Conservation Act in its present form impedes the goals of multiple use management in the Tongass and creates an overwhelming emphasis on timber harvest; and

WHEREAS abuses to the fifty-year contracts have driven many small Southeast timber operators out of business and created a government-driven, rather than a market-driven, timber industry which has stifled healthy competition within the industry and reinforced an unbalanced management approach to the forest;

NOW THEREFORE BE IT RESOLVED that the United Fishermen of Alaska supports a timber presence in southeast Alaska but strongly opposes a mandated cut of 4.5 billion board feet per decade; and

BE IT FURTHER RESOLVED that the intent of the Tongass Timber Supply Fund be re-evaluated and a greater emphasis for use of the funds be placed on protecting fish habitat and facilitating conflict resolution between users of the forest resource; and

BE IT FURTHER RESOLVED that the impropriety of the fifty-year contracts be considered and the contracts terminated.

COPIES of this resolution shall be sent to the Honorable R. Max Peterson, Chief of the U. S. Forest Service; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U. S. Senators, and the Honorable Don Young, U. S. Representative, members of the Alaska delegation in Congress.

2/6/87

Robert M. Blake
President

Date

Senate Building Suite 306 • 175 S. Franklin Street • Juneau, Alaska 99801

COMMERCIAL FISHERIES

NEWS RELEASE

**ALASKA DEPARTMENT
OF FISH & GAME**

STATE OF ALASKA
Department of Fish and Game
Don W. Collinsworth, Commissioner

Ken Parker
Director

Southeast Regional Office
P.O. Box 20
Douglas, Alaska 99824

Contact: Paul Larson
(907) 465-4250

FOR IMMEDIATE RELEASE

August 24, 1987

SOUTHEAST ALASKA SALMON PURSE SEINE FISHERY

Juneau . . . The Alaska Department of Fish and Game today advised commercial seiners that additional summer pink salmon fishing is unlikely.

The catch rate of pink salmon during the recently completed seining period did not indicate any improvement in the incoming run. Aerial surveys have continued to show lagging escapement rates in middle and late run areas. The Department will continue to evaluate the incoming pink salmon run. However, based on the current available information additional pink salmon seining should not be expected. Fall chum salmon returns will be monitored to allow harvesting as the runs develop and to maintain quality.

* The Department continues to be concerned with the adverse impacts the current drought may have on pink salmon spawning success. Loss of fish is beginning to be apparent in some areas. If significant rain fall does not occur soon, major die-off of unspawned pink salmon are likely in several large drainages that have minimal stream cover due to logging.

Recorded messages may be heard by calling 586-3505 in Juneau, 225-6870 in Ketchikan, 747-5022 in Sitka and 772-3700 in Petersburg.

c.c. Staff please.

Tongass Tourism & Recreation Business Association
P.O. Box 1892 • Juneau, Alaska 99802

October 28, 1987

WRITTEN TESTIMONY OF BONNIE KADEN SUPPORTING S. 708

My name is Bonnie Kaden. I am one of the founding owners and the past ten year manager of Alaska Discovery, the oldest and largest wilderness tour company operating in the Tongass National Forest. I am a twenty year resident of our state. I have also been asked to represent the newly-formed Tongass Tourism and Recreation Business Association.

For the past 16 years, Alaska Discovery has offered guided trips by canoe, raft, backpack, ocean kayak and skis throughout the Tongass. Our company offers tours departing from Juneau, Wrangell, Sitka, Haines, Skagway and Yakutat. The Tongass Tourism and Recreation Business Association is currently organizing with steering committee members in six southeast Alaska Communities to support a Forest Plan for the Tongass that adequately responds to increased demand for recreation and tourism over the next decade.

We fully support the repeal of section 705 of ANILCA. We want to see management of the Tongass shift from heavily-subsidized large-scale timber harvesting to a more balanced and economically sound program which would include diversified small logging operations along with wildlife and recreation management. We support S. 708 and would like to see it further strengthened with repeal of the 50 year timber contracts and the addition of several key Wilderness areas.

We are going to argue that the present and future demand for tourism and recreation in the Tongass cannot be met under current timber management policy; that the economic stability and future growth of southeast Alaska depends on tourism, not logging; and further, that current Wilderness withdrawals cannot in large part support the visitor industry because they are biased toward preserving inaccessible icefields and mountains.

TONGASS TIMBER POLICY HARMS TOURISM

Recreation demand on the Tongass has soared since 1980. Forest Service figures show a 100 percent increase in recreation between '75 and '83. Our own business has grown by nearly 400 percent since ANILCA was passed seven yeas ago. When Alaska Discovery was founded, and almost until the passage of ANILCA, it was the only wilderness outfitter operating on the Tongass. A 1985 U.S. Forest Service/Division of Tourism study listed more than 50 wilderness tourism businesses in the Tongass. New tourism-related companies are forming every year. New cruise ships are being built, and the top season has been extended now from mid-May until the end of September.

It doesn't matter if people are coming to southeast Alaska for a cruise on the Sun Princess or a week-long canoeing and fishing adventure. All of us involved in tourism are selling the exact same product. Ask any of the hundreds of large and small lodges, charter boats, cruise ship lines, hunting, fishing or recreation outfitters, air taxis, etc. what product they are selling, and the answer is the same: the Alaska Wilderness Experience.

Section 705 of ANILCA is a slap in the face to the tourism industry AND undermines the very economic base which supports our business. Outfitters such as Alaska Discovery must not only pay 3 percent of their adjusted gross income, up front before the season even opens, in Forest Service permit fees. They ALSO have to fight a 40-plus million dollar subsidy to the timber industry which is logging the very forest they need. This is grossly unfair. The Forest Service now charges us more to take one person into the forest to look at trees for one day than it charges the pulp companies for 1,000 board feet of virgin timber. We are charged roughly $3 to take one visitor into the forest for non-consumptive use--viewing and photographing trees and wildlife-- for one day, AND WE LEAVE THIS FOREST COMPLETELY INTACT. Yet the timber industry, for about $1.50, gets to remove altogether 1,000 board feet of trees which took 300 years to grow. How can we allow our government's laws and regulations to support a system which subsidizes one segment of the economy to the detriment of another, particularly when this subsidy ends up costing the American taxpayer millions of dollars.

The company I helped to found 16 years ago, now Alaska's largest wilderness outfitter, has suffered directly from the current policy. Let me present 3 brief examples:

1.) Alaska Discovery had to abandon one of the best kayak/canoe trips in southeast Alaska, between Tenakee Springs and Hoonah, following clear-cutting along the shore. Our clients simply didn't enjoy going there any more. The Tenakee Springs town council has passed several resolutions opposing any more timber harvests. They have since been joined by 15 other Tongass area communities. But our company and the representatives of all of these small towns are told that the Forest Service has "no choice". ANILCA dictates that new timber must be offered each year.

2.) In 1985, Alaska Discovery joined in a suit to stop the Forest Service from pre-roading the Berners Bay area. Forest Service officials repeatedly admitted that the timber was of such low quality that it probably wouldn't sell --even with $5 million "roading" dollars from the Tongass Timber Supply Fund. This would be one more area where tourists seeking the wilderness experience simply wouldn't want to go to any more.

When we asked why these pre-roading dollars were being spent, again Forest Service officials apologized, "Quite frankly, we have no choice or flexibility not to proceed." The injustice and waste of this law must be rectified.

3.) Three years ago, Alaska Discovery began to explore and promote fishing and wildlife watching trips in the Yakutat Forelands. We thought this was a safe area because it was initially considered for Wilderness under ANILCA. Now its scheduled for large-scale road building and clearcutting. How can we allow Timber Supply Fund dollars to create yet another area that nobody wants to go to any more, probably not even the pulp industry!

SOUTHEAST ALASKA'S FUTURE DEPENDS ON TOURISM

All visitors to southeast Alaska, from cruise shippers to backpackers, come for the same reason: They travel north to Alaska to see wilderness scenery and wildlife. Peruse any travel magazine, portfolio, or selection of advertisements. The largest calling which we in the toursim industry have for our potential customers is the wild and pristine image of our State. Just look at the spectacular photographs of our waterways and inlets lined with undisturbed rainforests and you, too, will be tempted to return again and again to Alaska. Throughout this decade, and into the 21st century, as the world becomes more developed, the specialness of the virgin Tongass forests increases.

There is tremendous potential in the Tongass National Forest for long term recreation use. Unlike the timber industry, the tourism business has been booming the last five years, and shows no signs of letting up. From 1980 to 1987, the industry has shown an overall 5% per year growth. Although from 1985-1986, tourism in Alaska showed a phenomenal 12% growth, and preliminary figures for 1987 show an even more impressive 15% growth, such surges in the next ten years are not anticipated; rather an overall healthy and sustained growth (5%) is predicted. In southeast Alaska, since 85 percent of the land lies within the Tongass, the tourism and recreation industries are dependent upon the appeal of an unhampered and continually alluring national forest.

The disproportional scale of timber operations resulting from Section 705 ANILCA does not allow for competing uses of National Forest land. Times have changed since the enactment of this legislation. In this decade, the tourism industries contribute far more to the economy than does the timber industry. Presently tourism is the #2 industry in the state of Alaska, second only to oil. It is the #1 industry in southeast Alaska, the Tongass National Forest. It is predicted to surpass oil and become the #1 industry in the entire state within 10 years. Employment in recreation tourism in southeast Alaska has more than doubled since ANILCA was passed. In the Tongass alone, tourism employs more than three times as many people as does the logging industry.

Members of the Tongass Tourism and Recreation Business Association are deeply concerned about the future of tourism in southeast Alaska. It is more than a simple desire to stop this part of our state from becoming a patchwork of clearcuts. It is a matter of priorities, now and into the future. The President's Commission on American Outdoors showed that our country's passion for outdoor recreation is not a passing fad or a passtime of the young; rather it is a true cornerstone of our national character.

Demographers and economists predict that by the mid 1990's, tourism will be the number one industry in the world. Yet national legislation appears to neither recognize nor support this trend. I, personally, want to be in the Alaska tourism business at the turn of the century. The entire industry, a long-term, non-consumptive user of the national forests, needs at very least legislative and conceptual support equal to that presently handed to the logging industry, a diminishing segment of our economy. We are not asking for free access routes, subsidies, or profit guarantees. We would rather let the market economy make its choice. Unhampered and unthreatened, the demand for recreation and tourism on the Tongass National Forest will continue to rise right off the charts. We are asking that you look now into Alaska's future, and legislate accordingly.

The constraints placed on the Forest Service under Section 705 of ANILCA disallows this agency to manage for recreation and wildlife as well as for the timber industry. Nationwide, the Tongass has the lowest percentage budget for recreation (less than 10 percent) of any Region. Recreation planning at the regional level as well as recreation services throughout the forest are under funded. Timber cutting is subsidized at the expense of tourism and recreation. It is time now to repeal this outdated Section of the legislation.

TOURISM NEEDS MORE ACCESSIBLE WILDERNESS

Only 9 percent of the Tongass high volume old growth is protected as Wilderness. It is very difficult to make any use of the three fourths of Wilderness which consist of icefield, rock, steep coast, and boggy muskeg regions. Our visitors want to see the old growth forests and wildlife which have made the Tongass famous.

A 1986 study conducted by the Forest Service in conjunction with the Alaska Division of Tourism surveyed all of the Tongass-permitted outfitters, lodges, charter operators, and recreation businesses in southeast. Asked what factors increased the desireability of their services, the respondents unanimously gave the highest rating to "designation as Wilderness".

Congress must recognize that current Wilderness designations do not protect enough key wildlife and recreation areas from large-scale logging. Areas such as the Yakutat Forelands, the Hoonah Sound, the Lisianski River corridor, and Berners Bay should be designated as Wilderness by Congress.

SUMMARY

The recreation industries are growing, and are paying their own way on the Tongass National Forest. Ours is a stable and sustainable industry over the long term, and presently returns 3% of our income to the Treasury for non-consumptive use of federal lands. We receive no subsidies, price supports, or free access routes. The current timber industry is heavily subsidized by the U.S. taxpayer, and is largely regarded as a sunset industry. After the best of the old growth is logged over the next 5 to 15 years, it's really unlikely that the current industries will even remain in the area. In the meantime, federal subsidies and mandates impair our growth, and erradicate the "wild" image which brings visitors to Alaska in the first place. We support repeal of section 705 of ANILCA, removal of the 50 year timber contracts, and the addition of several key forested areas into the Wilderness system.

Tongass Tourism & Recreation Business Association
P.O. Box 1892 • Juneau, Alaska 99802

November 2, 1987

POSITION STATEMENT
on the
TONGASS TIMBER REFORM ACT
(S. 708 / H.R. 1516)

The Tongass Tourism and Recreation Business Association believes that in order to achieve balanced management of the Tongass National Forest, the U.S. Forest Service must be relieved of constraints imposed on it by ANILCA section 705(a) and by the two 50-year timber contracts with pulp mills in Sitka and Ketchikan. We also recognize the importance of key fish and wildlife and scenic areas which are designated as Wilderness, and believe that further designation of Wilderness lands on the Tongass may be desirable.

Therefore, the Tongass Tourism and Recreation Business Association supports the Tongass Timber Reform Act and associated legislation which may be introduced.

Senator FOWLER. She is also a good kayakist. [Laughter.]

Welcome. Councilman Reuben Yost from Pelican.

STATEMENT OF REUBEN YOST, MEMBER OF THE CITY COUNCIL, PELICAN, AK

Mr. YOST. Mr. Chairman, members of the subcommittee, my name is Reuben Yost and I live in the town of Pelican on the Chichagof Island in the Tongass National Forest.

I am a commercial fisherman and a member of the Pelican City Council. For the record, I have a master's degree in fish biology.

I appreciate being given the opportunity to express the concerns of the residents of Pelican with regard to the management of our immediate environment. The city of Pelican supports Senate bill 708 amending sections 705 and 706 of ANILCA.

Congressman Mrazek has mentioned our resolution in support of this legislation, and I would like to submit it now as part of the record. The Pelican city council and the vast majority of Pelican's residents believe a change is needed in the management of the Tongass and that only Congress can provide that change.

Pelican is a town of 240 permanent residents, with a summer population of double that amount. Our economy is almost entirely dependent upon fishing and fish processing. I would like to point out now that Pelican is one of the 16 small rural communities that are opposed to the Tongass timber program.

However, the implication made on Tuesday that these communities are unimportant or inconsequential is incorrect. Pelican, for instance, has a large seafood processing plant, a busy harbor, and a sizable fishing fleet.

We may be a small community, but we represent a viable way of life in southeast Alaska, and play an important role in the region's overall economy. Pelican and other small communities are directly affected by the management of this national forest.

We depend upon it for our economic survival, and for a good part of the food we eat. Any consideration of the management of the Tongass needs to include the effects on small communities.

I would like to explain how Pelican became involved in the present debate. Pelican is located on Lisianski Inlet. At the head of this inlet is the Lisianski River. This river is one of the top five pink salmon producing rivers in Southeast Alaska. It is also prime subsistence wildlife habitat.

The Forest Service proposed this area with 11 miles of roads and 21 stream crossings. Although the Forest Service admitted that this area was prime commercial fish habitat, their major consideration was to honor the 50-year contract with Alaska Pulp Corporation.

After considerable public outcry, the Forest Service deferred logging in this area for five years. We are relieved that this area was deferred, but we know it will be proposed for logging again in the near future, and we are aware that the Forest Service's track record with regard to protecting key subsistence and commercial fish habitat is not good.

Much has been made at this hearing of the percentage of wilderness in the Tongass. It is important to bear in mind not only how much wilderness there is, but what kind of wilderness there is.

For instance, at present, less than one-third of the most productive salmon streams are protected by wilderness designation. It is very clear to the residents of Pelican that although a considerable amount of land around us was designated as wilderness, the most important high-density old-growth area was not.

Commercial fish and subsistence wildlife habitat were apparently deemed less important than timber potential when the so-called compromise was made. We were not part of this deal, and we do not feel that the highest and best use of individual areas was considered.

Mr. Chairman, I am an Alaskan resident. But I do not resent Congress' involvement in my area, because I am aware that I live in a U.S. forest that is a resource for all Americans.

The residents of Pelican and many others in southeast Alaska do resent a forest program that seems dominated by one resource consideration. This program has a mandated timber supply level and a sizable guaranteed subsidy.

It has a 50-year contract that does not reflect normal forest management practices, with a contract holder that has illegally driven out competition, defrauded the Forest Service out of millions of dollars, treated its mill workers poorly, and shown a disregard for the welfare of small communities that were in existence before it came to the area.

For this reason, Pelican supports Senate bill 708 as a step toward greater equity for everyone in the Tongass. Pelican's 1987 resolution further asks this committee to amend the bill to modify the 50-year contract with APC, and to designate the Lisianski River corridor as wilderness. Both of these measures are necessary to protect this vital area.

Lastly, Mr. Chairman, I do not think this issue is a consideration of timber jobs versus intangible aesthetics. Pelican does not advocate the removal of logging from the economy of southeast Alaska.

I appreciate the concerns of the southeast conference, which testified yesterday, with regard to the stability of communities dependent upon the timber industry. I would point out that community stability is equally important for the smaller towns that are not dependent on timbering operations.

Pelican does not feel that we, or similar small towns, should be victimized because of other communities' dependence on the timber industry. We respectfully urge you to pass Senate bill 708, and to consider making the amendments I have mentioned. Thank you very much.

[The prepared statement of Mr. Yost follows:]

City of Pelican

BOX 757 — PELICAN ALASKA 99832 — PHONE 735-2202

Statement of Reuben Yost
Representing the City Council of Pelican, Alaska
Regarding
S. 708, the Tongass Timber Reform Act
Before the
Public Lands, National Parks and Forests Subcommittee
U.S. Senate Committee on Energy and Natural Resources
November 5, 1987

Mr. Chairman and members of the Subcommittee, I am Reuben Yost. I live in Pelican, Alaska. I am a commercial fisherman and a member of the Pelican City Council. For the record, I have a Masters degree in Zoology (Fish Physiology). I am speaking on behalf of myself and the City Council of Pelican, the elected governing body of the town of Pelican. Pelican is a small fishing community located on Chichagof Island in the Tongass National Forest.

I would like to thank the members of the Subcommittee for the invitation to testify at this hearing. I appreciate being given the opportunity to express some of the concerns of the residents of Pelican regarding the management of our surrounding environment.

The City of Pelican strongly supports S. 708 amending Sections 705 and 706 of the Alaska National Interest Lands Conservation Act. On May 8, 1987, the City Council of Pelican adopted a resolution in support of this legislation, which I am submitting with my written statement (Appendix A). Pelican has long expressed its opposition to the 450 million board feet per year timber supply goal and the forty million dollar per year entitlement authorized by Section 705(a). (See Appendix B, City of Pelican Resolution 1985-4.) The City Council and the vast majority of residents believe that ANILCA needs to be modified to include more consideration of the effects of forest management practices on small communities located within the Tongass National Forest.

Pelican is a small fishing community of approximately 240 year-round residents. During the fishing season the population more than doubles in size. Pelican is almost entirely dependent upon fishing and fish processing for its economic survival; tourism and related services complete the economic picture. Subsistence use of fish, shellfish, fowl, and deer are an important part of the livelihood of Pelican residents. We "live off the land" to a considerable extent. Our town is a prime example of the problems that ANILCA Sec. 705 legislation created for rural communities in the Tongass.

When Congress created the West Chichagof-Yakobi Wilderness area in 1980, part of the western portion of Lisianski Inlet was designated as Wilderness. However, the Lisianski River area at the head of the Inlet was not given this designation, although it had been proposed as such since 1967. It is clear that this area was left out of the West Chichagof Wilderness solely because it has a small but dense stand of large high quality timber; it is designated LUD IV, to be intensively developed for commodity resource use. This designation completely ignores the importance of this area in terms of commercial fishery habitat and subsistence use.

The Alaska Pulp Corporation has definite plans to log in the Lisianski River area. The U.S. Forest Service, bound by existing legislation and contracts, proposed to open this area up to logging with 11 miles of road and 21 stream crossings. After considerable opposition from residents, fishermen, and the Pelican City Council (See Appendix C, Resolution 1986-5), the Forest Service deferred roading and logging in this area.

Under present management policy, however, this area will almost certainly be again proposed for logging in 1990. With the 50-year contracts to "honor", and a 450 million board feet timber supply goal, there will not be sufficient substitute areas to meet the quota. As has already happened in other areas, the Forest Service will then spend U.S. tax dollars to build roads to open up this area for timber harvest, selling at a loss the trees in an area that represent millions of dollars in commercial fisheries habitat, in addition to wildlife habitat important for subsistence.

Lisianski is one of the top five pink salmon producing rivers in Southeast Alaska, and is also a spawning stream for coho and chum salmon, plus a few sockeye. The yearly dock value of Lisianski salmon is close to one million dollars; this represents a major income to Pelican. When you also consider the importance of this area in terms of subsistence use and tourism potential, it seems incredible that the

Forest Service would even consider jeopardizing the situation for a one-time timber harvest of only 20 million board feet sold at a great loss! If this area were logged, the effects would last for decades, if not forever. Clearly this action is unjustifiable; the legislation that created this dilemma needs to be amended.

The situation Pelican faces is not unique; several other small communities are in a similar bind, many, in fact, are already losing important subsistence and fisheries habitats. A pioneer way of life, for which Southeast Alaska is noted, will become impossible, in spite of ANILCA Title VIII provisions stressing the importance of protecting subsistence uses.

S. 708 makes important strides in rectifying some of the problems in ANILCA, specifically the problem of a mandated timber supply level without adequate consideration of the effects on fish and wildlife habitat. The City of Pelican respectfully asks this Subcommittee to go one step further and consider modifying or cancelling the contract with the Alaska Pulp Corporation. This contract does not reflect current forestry management practices; it does not allow the Forest Service sufficient control over areas offered for timber sale. This contract does not comply with the National Forest Management Act, and there is no reason why any part of the Tongass should not conform totally to this act. This contract reduces important habitat areas of the Tongass to a federally subsidized timber farm, operating to the detriment of small rural communities, with only rudimentary and inadequate mitigation of habitat damage.

It is interesting to note that few small sawmill operations exist in Southeast at present. Offering short-term timber contracts to small local mills would eliminate the need for large clear cut areas which are environmentally unsound, and would make lumber available to local markets. Currently, construction lumber in much of Southeast Alaska must be purchased from Seattle, while timber from Southeast is shipped as pulp and sawlogs to Japan.

The resolution submitted by the Pelican City Council also asks this Subcommittee to permanently protect the Lisianski River because of its important fish, waterfowl, deer and brown bear habitat. The Lisianski River watershed and the adjoining drainage flowing south to the North Arm of Hoonah Sound comprise a logical and natural part of the West Chichagof ecological area, and therefore should be a small (28,000 acres), but critical, addition to the West Chichagof-Yakobi Wilderness. There is much evidence supporting the need for old-growth spruce stands in maintaining deer populations. Current management regulations in national forests other than the Tongass require buffer strips along fisheries streams and rivers. The Lisianski River area demands this kind of protection. Commercial fishery values, subsistence, waterfowl and deer hunting values, and recreational-tourism values would all be best protected and maintained if the Lisianski River area (VCUs 249 and 262) remains wilderness.

Residents of Southeast Alaska rural communities have worked hard to make possible a self-reliant lifestyle based on commercial and subsistence use of renewable resources. We ask that this Subcommittee do everything in its power to ensure that the renewable resources of the Tongass National Forest are not damaged or destroyed. We therefore strongly support this S. 708 legislation, and request stronger protection for the natural resources of the Tongass by amending the bill to cancel or modify Alaska Pulp Corporation's 50-year contract and to designate the Lisianski River area as Wilderness.

(Appendix A)

City of Pelican

BOX 757 – PELICAN ALASKA 99832 – PHONE 735-2202

RESOLUTION 1987-2

A RESOLUTION OF THE PELICAN CITY COUNCIL SUPPORTING LEGISLATION TO AMEND SECTION 705 OF ANILCA AND ADVOCATING PERMANENT WILDERNESS STATUS FOR THE LISIANSKI RIVER AREA

WHEREAS, the City of Pelican is a rural community primarily dependant upon fishing and tourism for its income; and,

WHEREAS, residents of Pelican depend heavily upon subsistance use of the fish and wildlife resources of the surrounding area, particularly the Lisianski River Area; and,

WHEREAS, the Tongas Timber Supply Fund and harvest goals of section 705 of ANILCA encourage excessive timber harvest and discourage responsible resource management by the U.S. Forest Service; and,

WHEREAS, excessive harvest of timber by clear cutting can adversly effect fishing tourism and subsistance use; and,

WHEREAS, the Alaska Pulp Company holds a 50 year contract authorizing excessive timber harvest with insufficient U.S. Forest Service control over the amount and area of cutting;

NOW THEREFORE BE IT RESOLVED THAT this governing body strongly supports H.R. 1516 and S.708, legislation amending sections 705(a) and 705(d) of the Alaska National Interest Lands Conservation Act;

BE IT FURTHER RESOLVED THAT this governing body strongly requests that Congress cancel or modify the 50 year contract with Alaska Pulp Company, and that the Lisianski River area (VCU's 249 and 262) be permanently protected as a small but critical addition to the West Chicagof Wilderness Area.

PASSED, APPROVED, AND ADOPTED BY THE PELICAN CITY COUNCIL THIS 8TH DAY OF MAY 1987.

signed; attest:

Harry A Davidson
Harry A. Davidson, Mayor

Edith M Carlson
Edith M. Carlson, City Clerk/Treasurer

Reuben Yost
Reuben Yost, Councilmember

Charles A Peart
Charles A. Peart, Councilmember

Mary Carson
Mary Carson, Councilmember

Edward J Bunt
E.J. Bunt, Councilmember

Vickie Bills
Vickie Bills, Councilmember

OFFICE OF THE MAYOR · PUBLIC WORKS DEPARTMENT · PELICAN HEALTH CLINIC · PELICAN VOLUNTEER FIRE DEPARTMENT

(Appendix B)

City of Pelican

BOX 757 - PELICAN ALASKA 99832 - PHONE 735-2202

RESOLUTION 1985-4

A RESOLUTION OPPOSING THE "450 CUT"
IN THE TONGASS NATIONAL FOREST

WHEREAS, as a bush community, our lives are based on the surrounding fish and wildlife resources; and,

WHEREAS, biologists have determined that excessive timbering and/or clearcutting can be detrimental to these resources; and,

WHEREAS, the "450 cut" is a political mandate not based on economic principles, as evidenced by the millions of dollars lost annually on the Tongass National Forest; and,

WHEREAS, this level of timber harvest does not allow flexibility in the management of the forest for all multiple uses,

THEREFORE BE IT RESOLVED THAT the Pelican City Council is opposed to the "450 cut"* timber policy on the Tongass National Forest.

PASSED, APPROVED AND ADOPTED THIS 11th DAY OF FEBRUARY 1985.

signed: Harry A. Davidson
Harry A. Davidson, Mayor

attest:

Edith M. Carlson
Edith M. Carlson, City Clerk

* referring to ANILCA legislation that calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of 40 million dollars or as much as is necessary to accomplish this legislation.

OFFICE OF THE MAYOR · PUBLIC WORKS DEPARTMENT · PELICAN HEALTH CLINIC · PELICAN VOLUNTEER FIRE DEPARTMENT

(Appendix C)

City of Pelican

BOX 757 – PELICAN ALASKA 99832 – PHONE (907) 735-2202

RESOLUTION 1986-5

A RESOLUTION OPPOSING THE U.S. FOREST SERVICE PROPOSAL TO BUILD ROADS AND LOG IN THE LISIANSKI RIVER AREA.

WHEREAS, the Pelican City Council reflects the wishes of the residents of Pelican; and,

WHEREAS, the Pelican Fish and Game Advisory Board, the Pelican Planning Commission, and the overwhelming majority of residents and fishermen strongly oppose the U.S. Forest Service proposed logging and road building activities in the Lisianski River area; and,

WHEREAS, the Lisianski River area is important as a subsistence area for deer, fish, berries, waterfowl, etc. for the Pelican residents; and,

WHEREAS, the Lisanski River area is a prime location for educational and recreational uses, ie. picnicking, hiking, fishing, camping, boating, ecology studies, and wildlife observation, etc.; and,

WHEREAS, the Lisianski River is one of the top five Pink Salmon producers in Southeast Alaska; and,

WHEREAS, Pelican is completely dependant on commercial fishing and fishing related activities;

NOW THEREFORE BE IT RESOLVED THAT the Pelican City Council and the residents of Pelican strongly oppose the proposal by the U.S. Forest Service to build roads and log in the Lisianski River area.

PASSED, APPROVED AND ADOPTED THIS 21ST DAY IN APRIL 1986.

signed:
Mayor Harry A. Davidson

Councilmember Terry E. Wirta
Councilmember Mary Carson

Councilmember Vickie S. Bills
Councilmember Mary Strahm

Councilmember Charles A. Peart
Councilmember Reuben Yost

ATTEST:

Edith M. Carlson, City Clerk/Treasurer

Senator FOWLER. Thank you, Mr. Yost.

Mr. Sever from Sitka is our last member of this panel.

STATEMENT OF FLORIAN SEVER, SITKA, AK

Mr. SEVER. Mr. Chairman, Members of the subcommittee, my name is Florian Sever, and I want to thank you for the opportunity to speak here today in support of Senate bill 708.

My home is in Sitka, AK. For 10 years I was an employee of Alaska Pulp Corporation, APC. APC is wholly owned by the Industrial Bank of Japan. I am also a member of the United Paperworkers International Union Local 962, the decertified signatory union at the Sitka pulp mill.

I was a union officer and a member of the negotiating committee for the union. On July 11, 1986, we went on strike at the Sitka mill over issues of unlimited contracting out of our work, the dissolution of craft lines, and the refusal of the company to grant a meager pay raise.

In the previous contract period, the company had reopened the contract, and extracted concessions from the workers of $2.40 an hour from every worker, regardless of his rate of pay, loss of a dental plan, and reductions in other health and welfare benefits.

I believe that the reason APC embarked on its devious plan to destroy the union was that the last drop of blood had already been squeezed from the workers. The plant safety and asbestos problems were looming ever larger, the workers were questioning the economics of the timber industry in Southeast Alaska, and had refused to lobby in the mill's behalf on issues before the Forest Service and the EPA.

It was paramount to APC's purpose that the union workers be silenced, removed from the picture, and new workers, ignorant on the issues, installed in their place. I and approximately 300 other workers were permanently replaced during the 10-month strike at the APC pulp mill.

APC was able to hire a sufficient number of out-of-state scabs to sway the outcome of the decertification election. In 1981, the two 50-year contract holders were convicted of conspiracy and restraint of trade and commerce and for actual monopolization of trade.

I believe this court conviction has forced them to alter the thrust of their efforts from illegally controlling the raw material to one of dictating the cost of labor. The very people that the 50-year contracts were intended to benefit are being cast aside, both in Ketchikan and in Sitka.

The National Labor Relations Board is currently prosecuting APC for unfair labor practices committed against the already-decertified strikers. My charge, filed with the National Labor Relations Board against APC, stands apart from the other workers' charges in that I was fired by APC in part because of the testimony I gave before a U.S. House of Representatives subcommittee in support of the Tongass Timber Reform Act.

I consider this act an effort by a foreign power to diminish my constitutional rights to freedom of speech. My statements before the House subcommittee were clear and irrefutable.

If this act on the part of APC were to go unchallenged, not only would it lessen my individual rights, but it would also diminish the ultimate power of the Constitution and the ability of the Congress to have access to the truth.

I believe there is a lesson here to be learned by all of America. The exploitation of any natural resource always requires the over-exploitation of the human resource involved.

Part of the original intent behind the 50-year contracts was to provide jobs for the local people of the Tongass. To date, this has been ignored by the Forest Service and APC. The unwillingness or inability on the part of the Forest Service to enforce one of the two basic tenets underlying the original institution of the contracts and the company's violation of section 12(k) are in themselves grounds for cancellation of APC's contract.

Clearly the rationale underlying the 50-year contracts has been perverted. More timber is being bought than is being cut by APC. After enough timber is banked, APC will push the Congress for the right to export logs in the round, thereby further depriving the people that the contracts were originally meant to help.

Diversification of the Tongass timber industry is essential for the proper utilization of the resource. Both saw logs and logs unsuitable for lumber can be utilized through the introduction of more saw mills, chip mills, and pressboard mills. No pulp-grade logs would go to waste.

The common working people of the Tongass are seeing fewer and fewer timber-related jobs. But in turn we see this national treasure disappearing to feed the two timber giants. One Japanese, the other a rich American conglomerate.

The common people have nowhere to turn for help but to the Congress of the United States of America. It is time for Congress to do some self-examination and to determine where the heart of America beats.

The subsidy that was intended to help the workers now only harms them, that would like only to compete in an open job market, instead of in a job market pervaded by the mill town mentality whereby obtaining and keeping any job, timber-related or not, relies heavily on staying in the good graces of the timber companies.

The monopolistic power of the 50-year contract holders must be broken if there is to be any justice for the common working people of the Tongass, or for any semblance of free enterprise to exist within the Tongass timber industry.

Thank you. And I would now like to submit my previous testimony before the House, to be placed in the record, along with a letter from the United Paperworkers International Union, 265,000 strong, in support of Senate bill 708. Thank you.

[The prepared statement of Mr. Sever follows:]

STATEMENT OF
FLORIAN SEVER
REGARDING
S. 708, THE TONGASS TIMBER REFORM ACT

BEFORE THE
SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS
U.S. SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES
NOVEMBER 5, 1987

Chairman Bumpers and members of the Subcommittee:

My name is Florian Sever and I want to thank you for the opportunity to speak here today in support of Senate Bill S.708. My home is in Sitka, Alaska, a small town in Southeast Alaska, situated within the boundaries of the Tongass National Forest.

For ten years I was an employee of Alaska Pulp Corporation, (A.P.C.) a pulp and timber company and 50-year long-term contract holder in the Tongass. A.P.C. is wholly owned by the Industrial Bank of Japan. I am also a member of the United Paperworker's International Union, Local 962, the decertified signatory union at the Sitka pulp mill. I was a union officer and a member of the negotiating committee for the union. On July 11, 1986 we went on strike at the Sitka mill over issues of unlimited contracting out of our work, the dissolution of craft lines, and the refusal of the company to grant a meager pay raise. In the previous contract period the company had reopened the contract and extracted concessions from the workers of $2.40/hr. from every worker regardless of his rate of pay, loss of a dental plan, and reductions in other health and welfare benefits. I believe that the reason A.P.C. embarked on it's devious plan to destroy the union was that the last drop of blood had already been squeezed from the workers, the plant safety and asbestos problems were looming ever larger, the workers were questioning the economics of the timber industry in Southeast Alaska, and had refused to lobby in the mill's behalf on issues before the Forest Service and the E.P.A. It was paramount to their purpose that the union workers be silenced, removed from the picture, and new workers, ignorant on the issues, installed in their place. I, and approximately 300 other workers were permanently replaced during the 10 month strike at the A.P.C. pulp mill. A.P.C. was able to hire a sufficient number of out of state scabs to sway the outcome of a decertification election. In 1981 the two 50-year contract holders were convicted of conspiracy in restraint of trade and commerce and for actual monopolization of trade. I believe this court conviction has forced them to alter the thrust of their efforts from illegally controlling the raw material to one of dictating the cost of labor. The very people that the 50-year contracts were intended to benefit are being cast aside, both in Ketchikan and in Sitka. This can only be described as a travesty, pure and simple. The National Labor Relations Board is currently prosecuting A.P.C. for unfair labor practices committed against the already decertified strikers. My charge, filed with the National Labor Relations Board against A.P.C., stands apart from the other workers' charges in that I was fired by A.P.C., in part, because of the testimony I gave before a U.S. House of Representatives Subcommittee in support of the Tongass Timber Reform Act. I feel that this is an attack on my First Amendment rights by a foreign power. I consider this act an effort to diminish my Constitutional rights to freedom of speech. My statements before the House Subcommittee were clear and irrefutable. If this act on the part of A.P.C. were to go unchallenged, not only would it lessen my individual rights, but it would also diminish the ultimate power of the Constitution and the ability of the Congress to have access to the truth. I believe there is a lesson here that should be learned by all of America. The situation in Sitka today, is but a glimpse of the future for all other communities that become dependent on exploitive interests. The exploitation of any natural resource always requires the over exploitation of the human resource involved.

There are a number of prevalent, overbearing injustices within the management of the Tongass National Forest. First and foremost, the Forest Service is not held accountable for it's funding by the Federal government, through ANILCA and the Tongass Timber Supply Fund, enabling this bureaucracy to bloat itself to any conceivable extreme. One of the original purposes behind the 50-year contracts was to provide jobs for the local people of the Tongass, as exhibited in the language of Section 12(k) of the A.P.C. 50-year long-term contract. "So far as is practicable to do so, labor for the conduct of logging operations, mills and manufacturing plants conducted under this contract by the Purchaser, its affiliates, subsidiaries, or subcontractors will be recruited from residents of Southeast Alaska." (Exhibit #1) To date, both the Forest Service and the timber company have turned a blind eye to this section of their contract. The unwillingness or inability, on the part of the Forest Service, to enforce one of the two basic tenets underlying the original institution of the contracts and the company's violation of Section 12(k) are, in themselves, grounds for cancellation of the A.P.C. contract. Timber related jobs in the private sector have dropped from almost 3,600 to the current level of only 1,400. Can it honestly be said that the local workers are the beneficiaries of the Tongass Timber Supply Fund? In my opinion, the rationale underlying the 50-year contracts has been perverted. More timber is being bought than is being cut by A.P.C. After enough timber is "banked", A.P.C. will push the Congress for the right to export logs "in the round" and do away entirely with the primary manufacture of timber resources, thereby depriving, even further, the people that the contracts were originally meant to help.

The common working people of the Tongass are seeing fewer and fewer timber related jobs, but in turn we see this national treasure disappearing to feed the two timber giants, one Japanese, the other a rich, American conglomerate. The common people have nowhere to turn for help but to the Congress of the United States of America. When complaints are lodged with the Forest Service regarding forest management and road construction policies, their stock reply is, "our hands are tied, our actions are mandated by Congress..." It is time for Congress to do some self examination and to determine where the heart of America beats. I ask you, can you see the inequity in a system that ponders a proposition where senior citizens on Social Security must have their benefits reduced if they receive gifts of clothing or firewood, yet on the other hand allows the tremendous pork barrel waste of the Tongass Timber Supply Fund and the 50-year contract subsidies?

I believe the workers of the Tongass neither want, nor need, nor are they receiving any part of the subsidy. They would like only to compete in an open job market instead of in a job market pervaded by the "mill town" mentality whereby obtaining and keeping any job, timber related or not, relies heavily on staying in the good graces of the timber companies. The monopolistic power of the 50-year contract holders must be broken if there is to be any justice for the common working people of the Tongass or for any semblance of free enterprise to exist within the Tongass timber industry.

In closing, I would again like to thank Senator Bumpers and the Subcommittee for the opportunity to testify in support of Senate Bill S.708 and I would also like to take this opportunity to submit my previous testimony given before the House Subcommittee on H.R. 1516, and selected written correspondence concerning the A.P.C. long-term contract, for consideration by this Subcommittee. I respectfully request that they be placed in the record.

Thank you.

PAGE A-52 of A.P.C. 50-YEAR LONG-TERM CONTRACT NO. 12-11-010-1545

binding upon each subcontractor or vendor. Purchaser will take such action with respect to any subcontract or purchase order as Forest Service may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event Purchaser becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by Forest Service, Purchaser may request the United States to enter into such litigation to protect the interests of the United States.

Section 12h Official Not to Benefit

1. No member of, or delegate to, Congress, or Resident Commissioner, shall be admitted to any share or part of this contract or to any benefit that may arise therefrom unless it is made with a corporation for its general benefit.

Section 12i Covenant Against Contingent Fees

1. The Purchaser warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by the Purchaser for the purpose of securing business. For breach or violation of this warranty, the Forest Service shall have the right to annul this contract without liability or in its discretion to require the Purchaser to pay, in addition to the contract price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

Section 12j Safety

1. The Purchaser, his employees, subcontractors and their employees shall conduct their activities in a safe and workmanlike manner and shall cooperate in making it possible for Forest Officers safely and economically to scale, inspect the cutting, logging, construction or other activities of the Purchaser under this contract and to conduct their other official duties on the sale area and its vicinity.

2. Forest Service will mark and designate for cutting hazardous trees which may reach roads, storage areas and camps. Resulting merchantable material will be removed by Purchaser unless waived by Forest Service.

* Section 12k Local Labor

1. So far as it is practicable to do so, labor for the conduct of logging operations, mills and manufacturing plants conducted under this contract by the Purchaser, its affiliates, subsidiaries, or subcontractors will be recruited from residents of Southeast Alaska.

Section 12l Construction of Scalers' Cabins

1. If required by the Forest Service, the Purchaser agrees to provide one or more cabins or houses of the customary type in use in logging camps or

Statement of

FLORIAN SEVER

Regarding

H.R. 1516, the TONGASS TIMBER REFORM ACT

Before the

SUBCOMMITTEE ON ENERGY AND THE ENVIRONMENT

U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

May 19, 1987

Mr. Chairman and members of the Subcommittee:

My name is Florian Sever and I live and work in Sitka, Alaska. I'm an employee of Alaska Pulp Corporation (APC), a company wholly owned by the Industrial Bank of Japan. I am also a member of the recently de-certified, United Paperworkers International Union (UPIU), Local 962. I was permanently replaced during the recent 10 month strike at the Sitka mill.

I appreciate the opportunity to speak here today to tell you that I strongly support The Tongass Timber Reform Act.

The original intent behind the 50 year contracts was to bring the primary manufacture of forest products to the communities of the Tongass, for the benefit of the common people of the Tongass. It was a "make work" program instituted to enhance the economies of the communities of Southeast Alaska. The conditions under which those contracts were negotiated have changed drastically.

I am just an ordinary working man, but I say to you, what is occuring within the Tongass is wrong. The original beneficiaries of the 50 year contracts are being shut out of the picture, both in Ketchikan and in Sitka. This is a travesty, pure and simple.

The two 50 year contract holders were convicted of conspiracy in restraint of trade and commerce and for actual monopolization of trade. Having been deterred in these acts, I feel they have altered the thrust of their efforts from illegally controlling the raw material, to controlling the cost of labor.

The workers at the Louisiana-Pacific mill in Ketchikan (LPK) were told that they would have to make large concessions in wages and benefits in order to keep their jobs and to provide an edge for their company in the market place. Once this had taken place, in the Spring of 1984, the management at APC, in Sitka, asked their employees for concessions so that they could remain competitive with LPK. These concessions were granted voluntarially by the employees to the tune of 10% in wages, plus the surrender of a 3% wage increase and a cost of living allowance. Sometime later, APC reopened their contract with the union personnel. (1985) The outcome of these negotiations were massive cuts in wages, $2.40/hr. across the board, where the average wage was approximately $12.00/hr., and the loss or reduction of many benefits. All, in all, the reductions totaled 45% of their income. The reason given for the necessity of these cuts was to remain competitive in the "world market". This bitter pill was swallowed by the union workforce on APC's word that this would be absolutely mandatory for the Sitka mill to stay in operation. The company promised that when economic viability was reached the workers would be the first ones to be compensated for our sacrifices.

Our contract expired with APC on July 1, 1986. In the meantime, APC had engaged John McCormac, of Donworth Taylor & Company, a large labor consultant firm, skilled in anti-union activity, to counsel them and to guide them to the eventual breaking of the union. They also engaged

Mystrom Advertising, in Anchorage, a high-priced public relation's firm to help gain public support for their lethal plans.

When negotiations were opened, the company's initial demand was that all employees would have to take a $400,000, or roughly 50 cents per hour pay cut, over a two year period. APC's reason for this was that the union had refused to lobby in the company's behalf, concerning the company's dealings with the U.S. Forest Service and with the U.S. Environmental Protection Agency. The employees, by this time, had felt that enough was enough. They were no longer going to be used as chattel.

During the course of negotiations, the company and union reached a stalemate position over the company's insistence on the ability to contract out union work, their refusal of an adequate wage increase, and the elimination of trade lines within the maintenance force at the mill. When asked about the cost of this last item the company spokesman said that the cost to the company would be $70,000 over a two year contract and a $70,000 expenditure would, in his words, "break the company". The union voted unanimously to go on strike. During the first month of the strike the company spent over $1,100,000 to import and pay scab maintenance men from outside the state of Alaska. This figure does not include the cost of scab production workers. (Attachment #1, excerpt from financial report received by Local 962, UPIU, from Steiner & Steiner, P.S., CPA, dated December 15, 1986.)

During the course of the 10 month strike the company had enlisted the aid of local police, the local city administration, and even the U.S. Coast Guard in an effort to deny the economic stability that the 50 year contracts intended. (Attachments #2 & #3) The final demand that APC made before the final impasse was that a "slander clause" be instituted in any contract they made with the union. It appears they even wanted to take away the right to dissent. The very act of my testimony before this subcommittee could have been construed as a violation of this clause. Should any company have the power to inhibit a U.S. citizen's rights under the First Ammendment? (Attachment #4 - Causes for immediate discharge, APC's last contract offer to Local 962, UPIU)

I ask you now, is it right that the Congress of the United States of America should subsidize the Industrial Bank of Japan, especially in light of the actions they have taken against some of the citizens of this country? Why should the workers at the Sitka mill subsidize the lobbying and other activities of the Industrial Bank of Japan when they are already being subsidized by the U.S. Government, under the 50 year contract, ANILCA, and especially the Tongass Timber Supply Fund? How many times must we pay these people to come in and take our timber? How long must the taxpayers of this country endure the hardship of keeping afloat a sinking ship?

During the course of the last 10 years APC's management has allowed the condition of the mill at Sitka to reach a deplorable state. Relatively little money has been spent on the upkeep of the facility, increasing the safety hazards that are inherent with a pulp mill operation. For example, large amounts of asbestos are currently posing a health threat to the workers. When confronted with this problem, a spokesman for APC stated, "What's the big deal, everybody's going to die from something!" Sooner or later large expenditures are going to have to be made to keep the APC mill in operation. Will the workers be called upon to sacrifice their wages again? APC claims an overall debt of over $120 million dollars. In 28 years of operation they have been able to reach the "break even" point a total of only 6 times. Is it morally right for the Congress to throw good money after bad, especially when one looks at the plight that the country is in?

In my opinion the rationale behind the 50 year contracts has been perverted. As I speak, timber is being "banked". After enough timber is "banked", APC will push the Congress for the right to export logs "in the round" and do away entirely with the primary manufacture of timber resources, thereby depriving, even further, the people that the contracts were originally meant to help.

In closing, I would like to say that in my opinion, and the opinion of many others, the 50 year contracts should be abolished. Also, the Tongass Timber Supply Fund should be abolished or put under a yearly appropriation process by Congress. The relationship between the 50 year contract holders and the U.S. Forest Service should be scrutinized further. It seems that their relationship to one another has become too symbiotic, to the exclusion of free enterprise and fairness.

Thank you.

Attachments: Pertinent information supporting my testimony.

ATTACHMENT #1 A

Summary of Costs Paid By Mill For Contract Maintenance Help, Air Fare For New Mill Employees and Unallocated Relocation Payments Made to New Employees

Relocation Costs For Replacements (which would include cost of one-way air fare for new hires plus $300 to $500 per person for those employees hired out of locality).	
Business Entertainment A/C - Per C of S log	$ 4,199
Personnel Recruitment - Per 10/86 C of S log	37,241
Less Cost of Newspaper Ads, incl. in above A/C's	(5,089)
	$36,351
Amounts Paid Directly to K C Jones Co.	
For Wages	$ 950,156
For Other Costs (meals, hotel, cab, etc.)	96,295
	$1,046,451
Amounts Paid Directly to Hotels For K C Empl.	
Sheffield	$ 53,275
Potlatch	6,240
Nugget	4,572
Avis	1,817
	$ 65,904
TOTAL OF THE ABOVE	$1,148,706
Plus: Value of two meals/day provided by Mill for K C Jones Employees	unkn.

ATTACHMENT #1 8

K.C.JONES MECHANICAL (206) 694-1909

6202 N.E. Highway 99, Suite 4 Vancouver, Washington 98665

September 3, 1986

TERMS: Upon Receipt

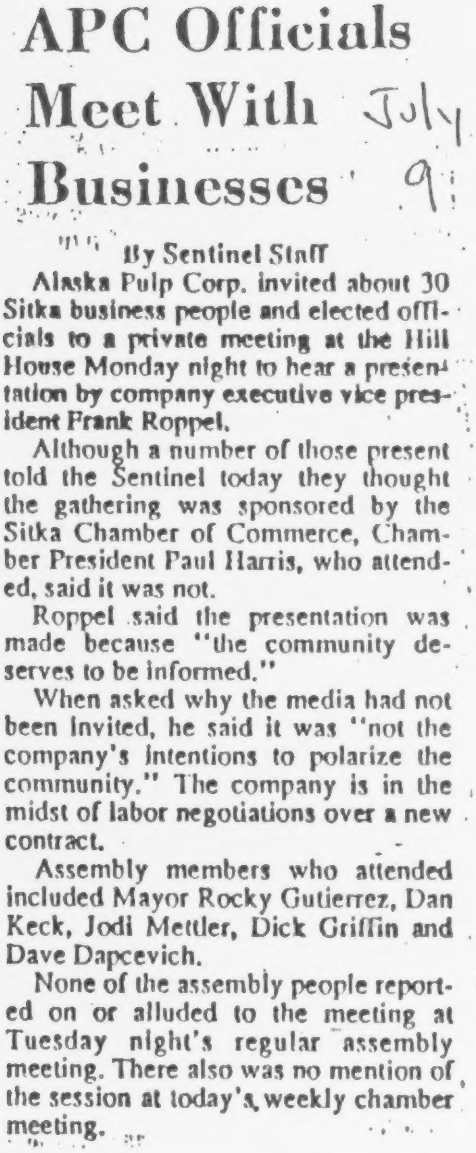
Alaska Pulp Corporation
3000 Rainier Bank Towers
Seattle, WA 98108

Attention: Mike Brooks

Week Ending: August 31, 1986
Invoice #: 1093
P.O. #: 5-82461
Job #: 703

FIRST SHIFT:			
Foreman:			
	40	Hrs. Straight Time @ 32.80	1,312.00
	72	Hrs. Overtime @ 47.80	3,441.60
Journeymen:			
	312	Hrs. Straight Time @ 30.50	9,516.00
	291.5	Hrs. Overtime @ 45.45	13,248.68
Craft "A":			
	848	Hrs. Straight Time @ 27.40	23,235.20
	876	Hrs. Overtime @ 41.10	36,003.60
Credit For Superintendent Hours Overcharged:			
	24	Hrs. Overtime @ 52.15	[1,251.60]
LIVING ALLOWANCE:			
Subsistence:		191 Days @ $10.00 Per Day	1,910.00
AIRFARE:		Per Enclosed Invoice Copies	11,550.17
		Plus 10%	1,155.01
EXPENSES:		Per Enclosed Copies of Receipts	130.57
		TOTAL DUE THIS INVOICE	$89,851.23

ATTACHMENT #2



APC Officials Meet With Businesses

July 9

By Sentinel Staff

Alaska Pulp Corp. invited about 30 Sitka business people and elected officials to a private meeting at the Hill House Monday night to hear a presentation by company executive vice president Frank Roppel.

Although a number of those present told the Sentinel today they thought the gathering was sponsored by the Sitka Chamber of Commerce, Chamber President Paul Harris, who attended, said it was not.

Roppel said the presentation was made because "the community deserves to be informed."

When asked why the media had not been invited, he said it was "not the company's intentions to polarize the community." The company is in the midst of labor negotiations over a new contract.

Assembly members who attended included Mayor Rocky Gutierrez, Dan Keck, Jodi Mettler, Dick Griffin and Dave Dapcevich.

None of the assembly people reported on or alluded to the meeting at Tuesday night's regular assembly meeting. There also was no mention of the session at today's weekly chamber meeting.

ATTACHMENT #3 A

STATEMENT OF JOHN NEWELL

1. I am the Chief of Police for the City and Borough of Sitka.

2. I have been requested by the United Paperworkers International Union to make a statement about the Police Department's involvement in the circumstances surrounding the U.S. Coast Guard's declaration of a safety zone on July 28, 1986.

3. Prior to the actual declaration of the safety zone, I had no contact with Mr. Snelling or anyone else from the Coast Guard regarding the pulp mill barge.

4. Mr. Snelling did have two contacts with other members with the Sitka Police Department.

    a. On or about July 21, 1986, Mr. Snelling contacted Sergeant Ward to inquire if the Sitka Police Department is aware of any specific threats against the barge. Sgt. Ward informed him that he was not personally aware of any specific threats to the barge, and upon checking with dispatch had advised Mr. Snelling that the dispatcher was also not aware of any specific threats.

    b. On or about July 25th or 26th, Mr. Snelling contacted Sergeant White regarding the arrival of the barge. He advised Sgt. White that the Coast Guard was discussing a safety zone for the barge with the mill and wanted to know what Sgt. White thought of the idea. Sgt. White advised Mr. Snelling that he no problem with the Coast Guard providing a safety zone as the police dept. was unable to provide that type of security. Mr. Snelling again inquired if the Dept. had received any threats to the barge in particular. Sgt. White said no, but that the Dept. had received information from talk on the street that some people were planning overt acts within a few days. Mr. Snelling then advised Sgt. White that he would have the Coast Guard establish a safety zone and have the 95-footer in Sitka to assist in protecting the barge.

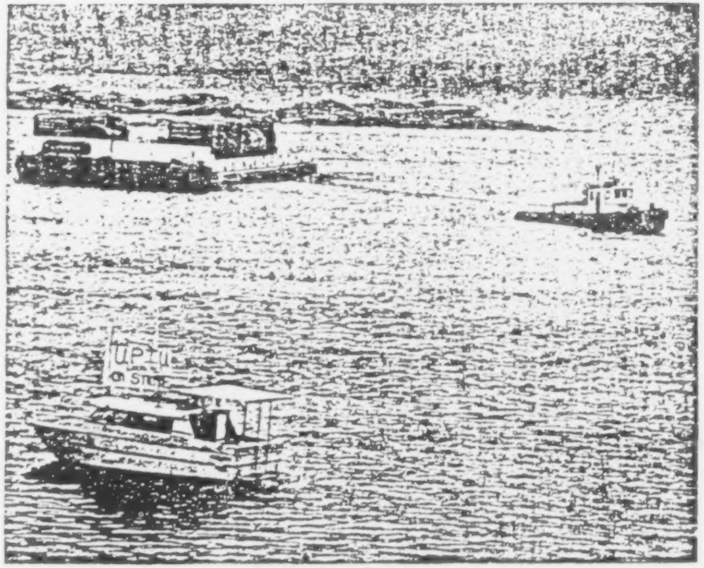
5. On the morning of the barge's arrival, Sgt. White called me at home to advise me that the State Fish & Wildlife was requesting a Sitka officer to accompany them on their patrol boat. After discussion, I decided that with our limited manpower we should patrol the land side of the situation.

John H. Newell

John Newell

#3 B

Sitka
Alaska
35¢



Picket Patrol

Barge passes picket boat on way to mill Monday, with escort out of picture to the rear. (Sentinel photo)

Tues Aug 5

Two Barges Unloaded at APC Mill

Cargos of chlorine and oil were being safely unloaded at the Alaska Pulp Corp. mill today as U.S. Coast Guard and state Fish and Wildlife Protection vessels stood by, said Al Snelling, chief warrant officer of Marine Safety Detachment of the Coast Guard.

Snelling said the mill and Sitka police reported receiving telephoned threats, which caused the extra patrols to be scheduled.

Port captains are permitted to set up harbor safety zones under the Ports and Water Safety Act, Snelling explained. The patrol vessels joined the arriving Knappton Maritime barges at the Eckholm Islands and will remain on duty until unloading is completed, expected this evening, he said.

"This is not done because of a labor dispute, it was done because a threat was made," said Snelling, and he compared the threat to an "act of terrorism." He said he said Coast Guard supervisors made the decision to establish a safety zone. "If we have information of a possible threat, we cannot take a chance."

The barges are being docked and unloaded by non-union personnel because union longshoremen and maritime workers refused to cross the picket line of United Paperworkers Local 962, which has been on strike against the mill since July 11.

Wed Aug 6, 1986

Union Says Members Staying Calm

Leaders of Local 962 of the United Paperworkers International Union maintained today that their members have been calm and not resorted to violence or threats during the 27-day strike against Alaska Pulp Corp.

"Local 962 has always stood against violence and our record shows that," said Florian Sever, a negotiating committee member for the union. "We ask our members to continue to remain calm until this thing is resolved."

Union representatives and their attorney met with City Administrator Rick Anderson, City Attorney Theron Cole and Chief of Police John Newell Tuesday morning to inquire about the reason for the patrol of Coast Guard and state law enforcement vessels around barges delivering chlorine and oil to the APC mill.

Newell said he did not call for the patrol, but cooperated with the agencies involved.

The Coast Guard instituted the protective measures after hearing of anonymous threats concerning the deliveries to the mill.

"We don't believe the union is doing anything reckless," said Newell today. However, he added, law enforcement officials cannot ignore threats and must strive to provide security when the safety of the community has been threatened.

Unloading of the barges was completed without incident.

ATTACHMENT #4

Dishonesty.
Sleeping on duty.
Giving or taking a bribe of any nature, as an inducement to obtaining work or retaining a position.
Reading of books, magazines, or newspapers while on duty, except where required in line of duty.
Failure to report for duty without a bona fide reason.
*Any act intended to discredit the Company or it's products, or any act intended to damage Company property.

ADJUDICATIVE SYSTEM

An employee having a complaint should submit the complaint to their supervisor for prompt consideration. If the individual is not satisfied, the matter may be submitted to the next level of management and, if further consideration is required, the matter may be submitted to the Personnel Manager or his nominee for appeal. Every effort should be make to resolve all matters at the initial level. However, in all cases, the employee may present any unresolved matters to management.

Issues to be processed using this system are to be done in a timely fashion. Initial pursuit and each step thereafter must be done within five (5) working days otherwise the issue will be null and void.

The appeal procedure may be requested by contacting the Personnel Manager. The employee requesting an appeal may select any two co-workers from the Appeal Board list which includes both hourly and salaried employees.

The two selected employees and the Personnel Manager will be the Appeal Committee. The committee of three will conduct a new investigation of the facts and make a decision as to the merits of the issue. They are empowered to sustain or modify with unanimous agreement. In the event there is not a unanimous decision of the Appeal Committee the issue may be referred to the Mill Manager. If the Mill Manager's decision results in a 3-1 decision the majority decision is final. If the Mill Manager decision results in a 2-2 decision the issue may then be set for binding arbitration.

Employees are assured that reprisals will not be tolerated against any employee using the adjudicative system. Final decisions at any step, including the arbitrator, are not subject to further appeal and shall be final and binding.

GENERAL MECHANICS

General Mechanics are proficient in one or more base skills and functional alternate base skills. A General Mechanic must have the required tools and work up to their capabilities as a journeyman mechanic without direct supervision.

Members of the Senate Subcommittee on Public Lands, National Parks and Forests accepting testimony concerning S. 708:

The attached correspondence and chart clearly illustrates the lax and incorrect interpretation of the language included in the U.S. Forest Service--Alaska Pulp Corporation 50-year long-term timber contract. This laxity and inability to police the terms of the contract not only leads to misuse of Federal funding, but creates a drastic injustice to the local working men and women of the Tongass.

Sincerely,

Florian Sever

Florian Sever
1706 Edgecumbe Drive
Sitka, Alaska 99835

P.O. Box 2106
Sitka, AK 99835
June 26, 1987

Kenneth Roberts
Forest Supervisor
United States Forest Service
204 Siginaka Way
Sitka, AK 99835

Re: Timber Sale Contract No. 12-11-010-1545
Between U.S.F.S. and Alaska Pulp Corporation

Dear Mr. Roberts:

I am an individual who resides in Sitka, Alaska. I have lived in Sitka, Alaska for the past 12 years. Prior to July 11, 1986, I was regularly employed as a millwright at Alaska Pulp Corporation. Since that time, I have been permanently replaced at APC.

I have been concerned over the past year of the actions taken by APC in hiring subcontractors and employees who are not from Sitka or other Southeast Alaska communities. In fact, I presented testimony before the Subcommittee on Energy and Environment for the U.S. House of Representatives Committee on Interior and Insular Affairs at a hearing on May 19, 1987 concerning HR 1516, the Tongass Timber Reform Act (copy enclosed). During this public testimony, I expressed my concerns about the failure of APC to hire qualified local individuals as part of its logging, milling and manufacturing operation here in Sitka.

I have recently seen a copy of the Timber Sale Contract which I have identified above. In particular, I was interested in Section 12(k), which requires APC, its affiliates, subsidiaries or subcontractors, to recruit labor for the conduct of logging operations, mills and manufacturing plants conducted under the contract from residents of Southeast Alaska. Information I have received over the past year leads me to believe that APC has failed to comply with this provision. As an individual who would directly benefit from the requirements of Section 12(k), I am requesting that you investigate whether APC has complied with this contract requirement.

In addition, I have also submitted a request to APC asking them to disclose information which would help to determine whether APC has complied with this requirement. I have enclosed a copy of the letter to APC along with this letter to you.

Please review my letter to APC and undertake an investigation of your own to determine whether APC has complied with Section 12(k) of the contract. I believe the questions that I raised in my letter to APC and the information I have requested would provide valuable data upon which compliance with the local labor requirement in the contract could be determined. I am sure there may be additional sources of information of which you are aware which would help in determining compliance.

Since I, like many similarly situated individuals, would directly benefit through employment, I believe this investigation is of paramount importance to myself and these other individuals at the present time. I would be happy to discuss with you or anyone from the U.S. Forest Service the information which I have which may be helpful in this inquiry. Of course, I would appreciate your prompt attention to this matter since every day an individual is employed at APC on work conducted under the contract who is not from Southeast Alaska means a day when I and others like me go without wages and benefits which we would receive if employed in that position.

I would appreciate it if you could investigate this matter and advise me of the findings of your investigation as promptly as possible. I am requesting that you advise me if you will not be able to complete your investigation within 30 days in order to allow me to assess the possibility of other action. If APC's hiring procedures comply with Section 12(k) of the contract, then I would like to know that, as well as the basis upon which the determination was reached; on the other hand, if APC's hiring practices do not comply with Section 12(k) of the contract, it is imperative that you take immediate steps to ensure APC complies in order to ensure the individuals who were intended to receive the benefit of this provision obtain the wages and benefits due to them.

If you have any questions, or if I can provide any additional information, you may contact me at 747-8466. I would appreciate the results of your investigation being sent to me in writing at the following address: P.O. Box 2106, Sitka, AK 99835. Thank you for your attention to this matter.

Very truly yours,

Florian Sever

Mr. Florian Sever

United States Department of Agriculture
Forest Service
Region 10
Tongass National Forest
Chatham Area
204 Siginaka Way
Sitka, Alaska 99835
(907) 747-6671

Reply To: 2450

Date: July 27, 1987

Mr. Florian Sever
P.O. Box [illegible]
Sitka, AK 99835

Dear Mr. Sever:

This is in reply to your letter of June 26, 1987, concerning Section 12K of the APC long term contract. Section 12K states:

> "K. So far as it is practicable to do so, labor for the conduct of logging operations, mills and manufacturing plants conducted under this contract by the Purchaser, its affiliates, subsidiaries, or subcontractors will be recruited from residents of Southeast Alaska."

When considering the administration of this contract section, one problem encountered is the definition of a "resident". As you may know, this has changed over time and different standards may apply for different purposes. For example, the State of Alaska considers a person a "resident" for tax and vehicle registration purposes as soon as employment is obtained. However, for "resident" hunting and fishing licenses, a person must reside in the State for a year. Since most National Forest programs are open to all citizens of the United States, "residency" is not usually a problem. Where it is needed, such as our free use wood program in Alaska, we have only required that the person lives in Alaska and exhibits an intent to remain here. Since Section 12k offers no clarification, I have used the same criteria in its administration.

I have discussed and stressed local hire personally with APC and subcontractors involved with logging operations.

Recent correspondence from APC indicates that 69% of their mill employees are from Sitka or Southeast Alaska. An additional 10% came from elsewhere in Alaska. The remaining 21% of the positions have been filled from outside Alaska.

Based on the above information I feel that APC has "So far as it is practicable to do so.....recruited from residents of Southeast Alaska" and has, therefore met with the intent of Section 12K of their contract.

Sincerely,

K. W. ROBERTS
Forest Supervisor

[illegible] TM 2430 MB

FS 6200-28(7-82)

P.O. Box 2166
Sitka, AK 99835
July 30, 1987

Kenneth Roberts, Forest Supervisor
United States Forest Service
204 Siginaka Way
Sitka, AK 99835

Re: Timber Sale Contract No. 12-11-010-1545
Between U.S.F.S. and Alaska Pulp Corporation

Dear Mr. Roberts:

This letter concerns information provided by you, in your letter to me, dated July 27, 1987, addressing Section 12k of the APC long term contract. Your comments concerning the "resident" requirements surrounding the hiring practices of APC, it's affiliates, subsidiaries, or subcontractors are interesting, but do not address the pertinent issue. I believe the operative word in Section 12k is the word "recruited". Many people feel that APC, it's affiliates, subsidiaries or subcontractors have not "recruited from residents of Southeast Alaska". Since this information is available to you to insure compliance with the APC long term contract, I am making a formal request, under The Freedom of Information Act, for all information concerning the recruitment of residents of Southeast Alaska, by APC, it's affiliates, subsidiaries or subcontractors for the time period beginning January 1, 1982 until July 30, 1987. I am requesting, also under The Freedom of Information Act, that you disclose to me the identities of all individuals who have been hired by APC or any of it's affiliates, subsidiaries, or subcontractors (also identifying the name and address of each affiliate, subsidiary or subcontractor), as well as their residence address at the time of hire and the position for which they were hired during any time between January 1, 1982 until July 30, 1987. I am also requesting, under The Freedom of Information Act, that you disclose what efforts were made by APC, it's affiliates, subsidiaries or subcontractors to recruit individuals employed in the conduct of logging operations, mills and manufacturing plants conducted under the contract from residents of Southeast Alaska.

Finally, if APC was unable to recruit employees from the residents of Southeast Alaska, I am requesting, under The Freedom of Information Act, the disclosure of any reasons which made it impracticable to recruit these employees from the residents of Southeast Alaska.

Page 2
Kenneth Roberts, Forest Supervisor
July 30, 1987

If there is any procedural aspect to my requests that I have overlooked, please advise me as soon as possible. This letter, along with the information provided by you, under The Freedom of Information Act, will be presented to a United States Congressional Committee.

Sincerely,

Florian Sever

Mr. Florian Sever

United States Department of Agriculture
Forest Service
Region 10
Tongass National Forest
Chatham Area
204 Siginaka Way
Sitka, Alaska 99835
(907) 747-6671

Reply To: 2450/6270-2

Date: August 11, 1987

Mr. Florian Sever
P.O. Box 2106
Sitka, AK 99835

Dear Mr. Sever,

Your July 30, 1987, letter requesting information under the Freedom of Information Act has been received by this office. The following information contains your statement followed by an itemized list of documents enclosed, or an information statement.

1. "All information concerning the recruitment of residents of Southeast Alaska by APC, it's affiliates, subsidiaries or subcontractors for the time period beginning January 1, 1982 until July 30, 1987."

Enclosure: July 15, 1987, letter received from APC on workforce make-up.

No other recruitment information is available from the Forest Service record.

2. "Identities of all individuals who have been hired by APC or any of it's affiliates, subsidiaries, or subcontractors (also identifying the name and address of each affiliate, subsidiary or subcontractor), as well as their residence address at the time of hire and the position for which they were hired during any time between January 1, 1982 until July 30, 1987."

Enclosure: List of companies, identified from the Forest Service record, that were affiliated with APC some time between the dates of January 1, 1982, and July 30, 1987.

Information on names, addresses, and positions of individuals hired by APC, its affiliates, subsidiaries, or subcontractors is not on file with the Forest Service.

3. "What efforts were made by APC, it's affiliates, subsidiaries or subcontractors to recruit individuals employed in the conduct of logging operations, mills and manufacturing plants conducted under the contract from residents of Southeast Alaska."

There is no Forest Service documentation showing the effort APC or its affiliates made to recruit from Southeast Alaska residents through the use of newspaper advertisements, fliers, radio announcements, or Alaska Job Services.

4. "Any reasons which made it impracticable to recruit these employees from the residents of Southeast Alaska."

A search of our records reveals no documentation showing reasons why APC could or couldn't recruit employees from Southeast Alaska.

Sincerely yours,

K. W. ROBERTS
Acting Forest Supervisor

Enclosures

080387 0800 TM 6270 MR

2450

TELEX 099 45 350
TELECOPIER 907 747 5588
TELEPHONE 907 747 2211

ALASKA PULP CORPORATION
P O BOX 1050 SITKA ALASKA 99835

July 15, 1987

U.S. Forest Service
204 Siginaka
Sitka, AK 99835

Attn: Mr. Lutz and/or Mr. Ross

Alaska Pulp Corporation work force demographic profile:

	ACTIVE WORK FORCE 1/31/87		7/6/87	
Sitka	186	(63.3%)	195	(66.1%)
S.E. Alaska	10	(3.4%)	8	(2.7%)
Within Alaska	31	(10.5%)	30	(10.2%)
Outside Alaska	67	(22.8%)	62	(21.0%)
Total	294	(100%)	295	(100%)

We now have approximately 80 inactive employees who will be offered preferential reinstatement as openings exist in the future. All of these people are still employees of the Company and are Sitka residents.

We do not anticipate hiring any new employees until after we exhaust the preferential reinstatement list. This could be several months, or even years.

Sincerely,

Jess Cline
Industrial Relations/Personnel Manager

JC:kp

August 7, 1987
APC
2450

Names and addresses of subcontractors identified from the Forest Service record who have been affiliated with APC between the dates of January 1, 1982, and July 30, 1987:

Island Logging
Box 33626
Juneau, AK 99803
and/or
Box 8196
Ketchikan, AK 99801

Larrabee Logging Co.
Box 33076
Juneau, AK 99803

Mud Bay Logging
Box 860
Sitka, AK 99835

Seley, Inc.
Box 5380
Ketchikan, AK 99901

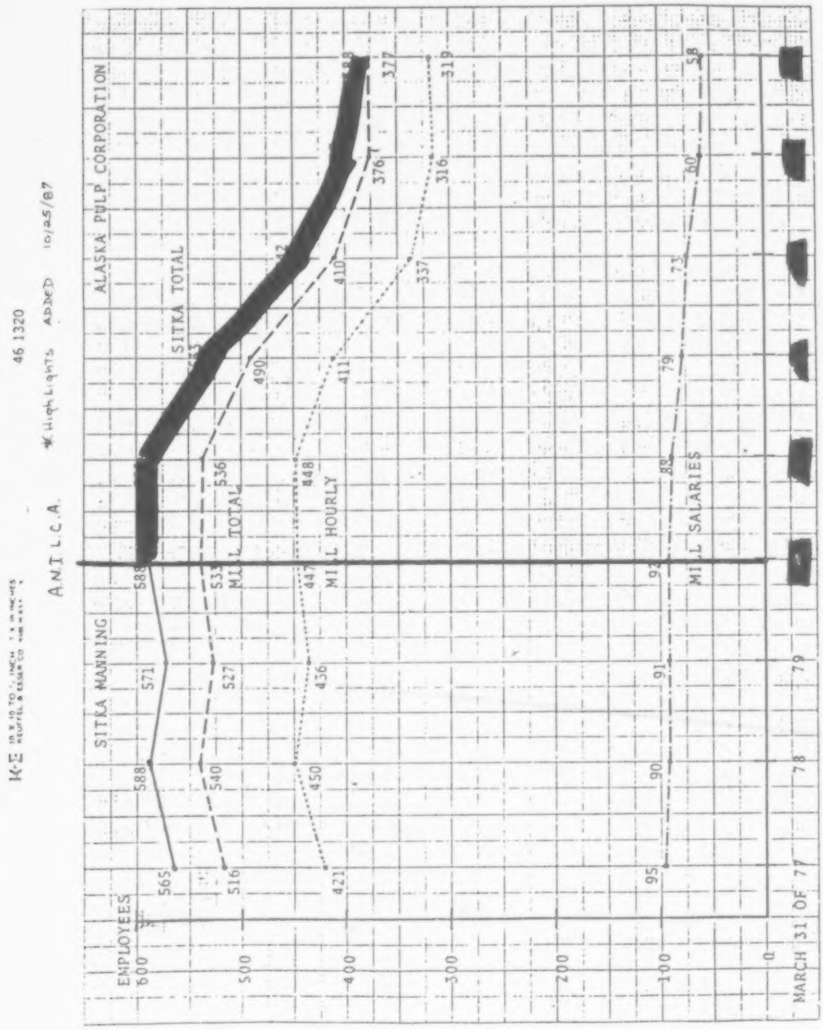
Silver Bay Logging, Inc.
Box 428
Yakutat, AK 99689
and/or
8995 Yandukin Drive
Juneau, AK 99803

Soderberg Logging
8991 Yandukin Drive
Juneau, AK 99803

Sullivan Logging, Inc.
Box 34738
Juneau, AK 99803

Whitestone Logging, Inc
Box 389
Hoonah, AK 99829

Wrangell Forest Products
Box 621
Wrangell, AK 99929


K-E 10 X 10 TO 1/2 INCH 7 X 10 INCHES KEUFFEL & ESSER CO.
46 1320
ANT L.C.A.
*HighLights ADDED 10/25/87
ALASKA PULP CORPORATION
SITKA MANNING
SITKA TOTAL
MILL TOTAL
MILL HOURLY
MILL SALARIES
EMPLOYEES
600
500
400
300
200
100
0
MARCH 31 OF 77
78
79
565
588
571
588
553
388
516
540
527
533
536
490
410
376
377
421
450
436
447
448
411
337
316
319
95
90
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Senator FOWLER. That will be included. Thank you all. Senator Murkowski?

Senator MURKOWSKI. Thank you, Mr. Chairman, again. I want to reiterate my particular position, so that those witnesses that are at the table, and those who will be forthcoming will understand quite clearly my commitment to the process, which is to proceed with the Tongass Land Management Plan as proposed.

And as a consequence of that, to initiate the necessary changes that should be as a consequence of the completion of that. And as I have said, Mr. Chairman, in my opening statement, that that should be based upon the public input as the facts, or alleged facts, are presented in the plan itself.

So, with that, I would like to thank the witnesses. I think that the points of view that they have expressed certainly are meritorious in reflecting on the issue before this body.

First of all, I assume that all of you either represent your particular organizations and they were somewhat responsible for underwriting the costs of coming here. Or you did it individually as an individual and an interested citizen.

And I intend to open my questions, Mr. Chairman, with the other witnesses with the same general question, that if you were provided with assistance from some group that is lobbying against this particular legislation or for this particular legislation, it would be, I think, appropriate to have that as part of the record.

If you come here on your own accord, under your own expense, why that is obviously appropriate too. And I just would ask as a direct question to you individually if you would care to respond to that particular point.

First of all, I would address my question to Mr. Joe Mehrkens. It has been stated in the record that you previously worked for the Forest Service before going to work with the Wilderness Society.

Do you have any reference or recollection of the position of the Wilderness Society on the ANILCA legislation, which included Section 705, which provides for the Tongass Timber Supply Fund, and directs the Forest Service to make 4.5 billion board feet of timber available for harvest each decade?

My question specifically is, do you recall the position of Gaylord Nelson, who is very prominent in your organization, and how he voted on the ANILCA legislation?

Mr. MEHRKENS. No, I am not.

Senator MURKOWSKI. Well, I would be happy to provide that. He voted in favor of it, as did Senator Proxmire, who has introduced this legislation to close it.

I simply point that out for the record, because I think it again represents a bit of an inconsistency. The overall vote was 78 yeas, 14 nays, and eight were not voting. That is from the Congressional Record, page 21891, August 19.

Mr. MEHRKENS. May I make a response to that please?

Senator MURKOWSKI. Yes, please do.

Mr. MEHRKENS. I think a lot of people back then were hopeful, very hopeful on a Forest Service-proposed solution that would work, that being that we could use those Tongass Timber Supply Funds to offset marginal lands.

Unfortunately, it just has not worked. And they also, in supporting that legislation, of course, wanted to put in a monitoring process. Those were the 706(b) reports. And that was to really kind of check and see every 5 years and every year thereafter, every other year thereafter, to see if that was really working.

What I am trying to say there is that while the hopes were high there and then, it just simply has not worked. And that is why I am here today. I thought it would work too. I was part of that process and I would love to come up here and say that it would work.

But in my opinion, it is not going to work. Now or in the future.

Senator **Murkowski**. It is my understanding that when you submitted your letter of resignation to the Forest Service about September 29, you stated you were terminating your employment with the Forest Service in the Alaska region in order to accept employment with the Wilderness Society. Is that correct?

Mr. **Mehrkens**. That is correct.

Senator **Murkowski**. Were you at any time discussing the possibilities of an association with the Wilderness Society during the time that you were working for the Forest Service or handling matters relating to planning and management of the Tongass National Forest?

Mr. **Mehrkens**. Yes. In my role——

Senator **Murkowski**. I am sorry, I did not hear your answer.

Mr. **Mehrkens**. My answer is as follows. In my role of team leader, I was put into close coordination, expected to go to a lot of outside groups to conduct this plan. They were called ANILCA cooperators.

That did include the Wilderness Society, as well as the timber industry, the State of Alaska, for example, SEACC et cetera. In discussing the generation of the report at that time, quite frankly employment opportunities came up in several quarters, one of which was the Wilderness Society.

Senator **Murkowski**. So it is correct then that you were discussing possible employment with the Wilderness Society at the time that you were employed by the Forest Service.

Mr. **Mehrkens**. Not directly. I did not really talk about getting a job, or even seeking a job, until about a couple of months ago.

Now, at other times in my career, in which I thought that outside employment would be better, but never before a report or anything like that, or prior to their release of their report or our 706(b) report or anything. That whole decision, that all came together in the last couple of months.

Senator **Murkowski**. You have stated in your testimony that ANILCA section 705 has not resulted in an increase in the use of low-value timberland, and that employment in the southeast Alaska timber industry has in fact declined since the late 1970s.

But is it not also true that this has been a result of the depressed market? And that as a consequence of the increase in activity and the increase in employment, that the low-value timber to be cut necessarily rises as the markets improve? And the markets are in fact getting better?

Mr. **Mehrkens**. Two things there. One, I think the depressed markets, obviously a factor, did nothing more than to highlight the flaws in the Tongass Timber Supply Fund rationale.

They did, in fact, put us into a tailspin up there. The markets have improved. There is no doubt about that. And it has been over, I think it is due to short-term market cycles.

I do not think they are permanent by any means. In fact, when you look at the long-term outlook of the timber industry, nothing has changed. The outlook is still the same.

We are still going to be competing with mills worldwide, with newer technology, cheaper log supplies, and we have also got this supply problem of this great expanded dependence on low-volume timber that we have never used in the past.

We have dumped all sorts of money in the last 7 years to try to use it and we still have not used it. There is nothing to suggest that things are going to be better in the future, and that we are going to take that type of timber.

So the point being is that yes, we are controlled by market forces. That is what my testimony said. In that no matter how much we spend on timber supply, I doubt that it is going to do anything but be insignificant in counteracting these demand cycles over the short-term and over the long-term.

Senator MURKOWSKI. Do you consider yourself a professional forester, in the sense of the word, or are you more, from the standpoint of your background, involved in forest planning?

I am interested in your point of view from a professional position on the consequences of managing the uniqueness of the Tongass National Forest in a timber environment. I just wonder how you classify your particular area of expertise.

Mr. MEHRKENS. I guess my particular area of expertise is just being up there for 12 years, first off.

My background is, I have a B.S. in forestry and a minor essentially in forest hydrology. I worked in the field in the Tongass, laying out sales.

Senator MURKOWSKI. So you certainly would classify yourself as qualified to be a forester in the sense of sound forest management practice?

Mr. MEHRKENS. Yes. I have not been in a forest management position per se. But I have certainly been associated with enough people like that to understand the situation. Yes.

Senator MURKOWSKI. When you relate to the uniqueness of the Tongass National Forest, geography of the area, and the type of logging that is the rule rather than exception with regard to clear cut as opposed to selective logging, do you feel that indeed the only practical means of logging of the forest that we have, in other words the virgin forests, is the clear cut concept? Or is there another workable, economical alternative?

Mr. MEHRKENS. Well, there are two aspects to your question there. One is the silvacultural method, clear cutting versus selective cutting, for example.

I am not convinced, you know, all through school and all through my career I was told that selective cutting is not feasible. And the literature would so seem to state. I am not so sure that we have looked at all the alternatives and studied it long enough to see exactly what can be done.

Senator MURKOWSKI. Does not selective logging in southeast Alaska imply that you go select the highest economic return?

In other words, the quality spruce as compared to a hemlock, market conditions being the same?

Mr. MEHRKENS. Well, in the sense that you go for your better stands first, we have done that in Alaska. But that has been a mixture of good and poor timber.

On the clear cutting issue and viable alternatives, I think it is a matter of degree. If clear cutting is the preferred and best alternative, then so be it.

Senator MURKOWSKI. Well, is there no alternative? Outside of a small amount of selective logging around some of the communities, and in the old days around the mines, and if you look at the landscape around Juneau, AK today, that is all second growth.

Every last drop, because during the mining activity, why, they took all the timber. And if you look at the early pictures around Juneau and Douglas Island, why it was clear cut, the second growth was not bad. The second growth timber in relationship to some of the virgin timber.

But, you know, we have a basic concept in the minds of the public as to the merits of clear cutting, vis-a-vis selected logging, and the difficulties of terrain. And are you going to do as much damage by taking out selective logs on erosion and other problems? Indeed, is clear cutting the only practical way?

What I am getting at, very frankly, is if you do not have the utilization and the only identifiable alternative we have for the pulp, and when I say the pulp I am talking about pulp timber, what is the other alternative for that timber?

Pulp mills, it seems to me in the testimony we have heard, provide an outlet for 50 percent of the timber that otherwise would not be marketable. It is doubtful if you could afford to bring it out of the woods.

We look at waffleboard or whatever they call it, which is the lowest cost wood obtainable, and we are talking about competitive markets. And what we are doing here is we are talking about threatening the viability of the two and only manufacturing plants in Alaska that operate year-round.

So you are a professional forester, and my question, I think, is appropriate. What do we do with this stuff, if we clear cut it and do not have a market for it? Are we going to let the bugs eat it? Are we going to let the wind blow it down?

Mr. MEHRKENS. Well, in the first place, I would not agree at all that the issue before us here is whether to put the Tongass on or off the budget has anything to do with the viability of the pulp mills, nor clear cutting, selective cutting, or having to find a market for low-volume material.

Senator MURKOWSKI. Well, how do the pulp mills get their timber then, if the Forest Service does not put it up for sale?

Mr. MEHRKENS. The Forest Service can still provide timber. We provided timber to those long-term timber salesmen, pulp mills, long before we had the permanent appropriation. At half the cost, and doubled the harvest. Now, we know that can be done.

Senator BUMPERS. Senator Murkowski, would you yield for a question at that point?

Senator MURKOWSKI. Yes.

Senator BUMPERS. I wanted to find out what percentage of the total timber being cut in Alaska now is off the Tongass?

Mr. MEHRKENS. Roughly half, 45 percent, 55 percent. Somewhere in there.

Senator BUMPERS. Do you have any idea what those figures were before 5.4 million acres were set aside in wilderness?

Mr. MEHRKENS. The harvest rates from the 1970 to 1976 period, I think, were used to determine ongoing the 450 million board feet.

They have ranged as, back in 1960, 1970, 600 million down to 400 some. It has gone up and down. But basically prior to ANILCA, before the wilderness designations, we had harvests in the 400 million to 500 million level. And that is what it has been.

Senator BUMPERS. Have those percentages of half on the Tongass and half off the Tongass changed very much in the last 30 years? Or do you know?

Mr. MEHRKENS. Oh, yes. Prior to Native corporations having management up there, the national forest was 90 percent of the harvest coming out of southeast.

It has fallen now to about 50 to 60 percent, 40 percent, depends on the years. It has all been published, by the way, in the timber supply-demand reports that we provide you all.

Senator MURKOWSKI. It should be pointed out that since that time the private timber, as a consequence of Native selections, has come into its own.

My five minutes is up. I do have further questions. But I will take it in my turn, Mr. Chairman.

Senator FOWLER. Thank you. We are pleased to have the Chairman of the subcommittee, Mr. Bumpers, who you all know has joined us. I just have a couple of questions, if I may.

Mr. Mehrkens, we are not going to stay on you forever, and we will have some questions of the rest of the panel. But before we leave you, in your testimony, on a couple of the issues that Mr. Murkowski was raising, maybe we can get a couple of facts out of this.

Why is it, you said that, I wrote down you said that the Forest Service has roaded 40 to 50 percent of the previously unroaded drainages over the past 6 years. You said that was unprecedented. You were there. Why was that done?

Mr. MEHRKENS. I really do not have a good answer for you, other than that the money was there to do it.

The fact that I know that it occurred came out of a congressional inquiry of some form, that asked us of the unlogged watersheds, how many had we gone in and entered? And I think the projection was exactly 41 percent over the last 6 years.

And then projecting that forward, with the contracts, the roading contracts under consideration or either let, that that was actually 56 percent over the 10-year period of the plan. That was 1979 to 1989.

The idea, of course, behind the roading was to access marginal timber.

Senator FOWLER. Well, let me ask you that. On Tuesday, I was reviewing that testimony, I will not quote the figures in the interest of time.

But there was a lot of conflict regarding how much commercially valuable land was actually set aside in wilderness through the Lands Act. In your opinion, how much of that 1.5 million acres of commercial land that we set aside in wilderness, how much of that is actually commercially valuable?

Mr. MEHRKENS. Well, again, you have to recognize that the definition of commercial forest land does not have anything to do with economically viable.

It is only a very indirect thing. If you look at how the Forest Service applied the non-economic direction, or the non-economic criteria, I think it is 1.3 million acres. Let me get the exact figure here.

Mr. METCALF. I have some of the figures from the Forest Service, Joe. It is 1.4 million acres of what they consider commercial forest land and wilderness. And of that, the valuable commercial forest land is 180,000, or 3 percent of the wilderness acres.

Senator FOWLER. Three percent of the 1.5 million that we now have in the wilderness?

Mr. MEHRKENS. I have a slightly higher value than that, and that is 200,000 acres.

And that would be based on a criteria, if you looked at the lands that the timber industry has used in the past, from 1950 to present, and you looked at those types of acres within wilderness, you would have at maximum 200,000 acres of viable commercial lands, I would call them, inside the wilderness.

I might add that if you were to throw those in the pot for harvesting, and the markets were to boom, like everybody is suggesting they have shortly, that is only 5, 6 years of timber harvest on the Tongass.

And that after five years, perhaps 10 years at best, we would be right back here saying the same thing, that the money is not offsetting the marginality, minus the wilderness.

Senator FOWLER. Mr. Metcalf, you said that, of the $4.5 billion board feet harvest level, came from what you called faulty planning assumptions in the Tongass Land Management Plan. What were the faulty or incorrect assumptions, in your opinion?

Mr. METCALF. Well, there were several of them. One is that we assumed that fish habitat could be protected and still meet that timber target.

And we assumed that subsistence could be protected. And we assume that enough wildlife habitat could be protected. And as it turned out, when they actually got on the ground to laying out the timber sales that they could not protect those values. And the tradeoff was made that some of those values would suffer at the expense of reaching those timber goals.

Senator FOWLER. You said the two pulp mills lost no timber through ANILCA.

Mr. METCALF. That is correct.

Senator FOWLER. How were those contracted volumes protected?

Mr. METCALF. There was very little of the pulp mill areas that were included in the designated wilderness areas. And the small areas that were included, two mills were given substitute areas. So they lost no volume.

Senator **Fowler**. Were the substituted timber areas and the resulting timber of lower quality?

Mr. **Metcalf**. No. Quite frankly, they were higher.

Senator **Fowler**. Ms. Geraghty, are you a logger?

Ms. **Geraghty**. Yes. I am part owner of a logging operation, and I work with——

Senator **Fowler**. That was not supposed to be a term of accusation. [Laughter.]

If you do not call yourself a logger, what do you call yourself?

Ms. **Geraghty**. Well, actually I have stores and I have a business out there, and I work closely with the area small loggers. So I am intimately acquainted with the logging industry in the area.

Senator **Fowler**. We have had some testimony that some of the smaller scale, as I assume you are, timber operators feel you are not getting an even break at the mills. Is that right? And why?

Ms. **Geraghty**. Well, we feel that we do not have, we certainly do have competitive pricing. As a matter of fact, a recent bid in the area went for $125 a thousand on spruce, as compared to the $2 the mills pay, which is 6000 percent above what the mill pays.

However, we do not have access to competitive markets. We are very limited as to where we can sell our timber, and we have to sell it for the price that the mills are willing to give us.

Senator **Fowler**. What changes are you advocating?

Ms. **Geraghty**. What we would like to see, we would like to see a fair price.

Senator **Bumpers**. Would you move the microphone a little closer?

Ms. **Geraghty**. We would like to see a fair price. We feel that if we were allowed to ship in the state, that we would naturally prefer to sell in Alaska. We are Alaskans.

But if we were allowed to ship intra-state, then we would be guaranteed a better price by the Alaskan processors, because they would have to compete with the price.

In the past we have been allowed to export certain blow-down logs. We are no longer able to do that. And that was a real nice little bonus on a few logs out of each sale. But we cannot do that anymore.

We would like to see a competitive market develop for the products of the small operators. And we do not feel that is available now, and it will not be available under the terms of the long-term contracts and the pressure the forest service apparently feels they get from the ANILCA working.

Senator **Murkowski**. Would you yield? I am sorry. Is the witness indicating what they would like to do would be able to export the round log?

Ms. **Geraghty**. Only the blow-down. In the past you were able to export certain blow-down logs only. Yes.

And that is on a special permit basis.

Senator **Murkowski**. But is it the intent of the witness to improve the ability to sell by having more people who would buy the logs?

That if you could export the logs, why then you would have more buyers, as opposed to the law which mandates in the Tongass that it be primary manufactured, so that the jobs can stay in Alaska. And I am just curious to know the intent of the witness.

Ms. **Geraghty**. There are very specific, very small blow-down sales, that this would be a boon.

Now, it may be that that might not ever happen again. It has happened in the past, that small operators were allowed to export blow-down logs, just very few of them, not from the whole sale.

But it was a lot of money. Small operators usually just barely squeaked by. So it was a real nice little bonus.

Senator **Murkowski**. But is your point to get the authority to go bid a sale and then export the round logs, so you would have more individuals to sell to?

Ms. **Geraghty**. I do not think so. I do not think that anyone is promoting the export of round logs. Just those special occasions, the blow-down.

Senator **Murkowski**. Thank you, Mr. Chairman.

Senator **Fowler**. Following up again on Mr. Metcalf's point about possibly the equity question between tourism and fishing and timber in the national forest.

Ms. Kaden, you are in the tourism business with the business association. How many tourist jobs are there in Southeast Alaska? How many timber? Do you have any idea?

Ms. **Kaden**. I do. And it depends on a lot of the misinformation that became an emotional issue on Tuesday. In southeast Alaska, tourism is the largest industry. With all due respect to my two fishing associates.

Senator **Fowler**. Could you pull your microphone close?

Ms. **Kaden**. Tourism is the largest industry in southeast Alaska. And it is growing presently.

As of 1984, it employed 3,800 full-time Alaska residents, according to Forest Service reports and Department of Labor statistics. It has been difficult to get full-time year-round jobs.

Senator **Fowler**. Has that increased since we passed ANILCA?

Ms. **Kaden**. Yes, sir. Since we passed ANILCA, that is the entire problems, is that the whole economy of southeast Alaska has changed dramatically since ANILCA has passed.

And just last year in 1986 we had a 12 percent increase in tourism in southeast Alaska. This year by chamber of commerce figures we had a 15-percent, even though the 1987 season is not totally in.

We are showing a 15-percent growth. We are estimating, our best estimates in southeast Alaska is 5,000 jobs, people employed in tourism. And if we accept the 1,400 logging figure, which the Forest Service proposed on Tuesday, then tourism employs 3 times as many.

Senator **Fowler**. What are they proposing?

Ms. **Kaden**. The 1,400 was, the question is are there 3,000 jobs in logging or are there 1,400?

The Alaska Department of Labor and the Forest Service reports, the 6-year planning report, list 1,400 jobs on the Tongass. In southeast Alaska, we have some 4,000 to 5,000 tourism jobs.

Senator **Fowler**. I am not trying to interrupt you. But let me get through these statistics where I can understand them.

Senator **Murkowski**. Are these year-round or seasonal?

Ms. **Kaden**. These are year-round full-time equivalents, from the Alaska Department of Tourism.

Senator **Murkowski**. Equivalents?

Ms. **Kaden**. Right. It is much higher in the summer time and lower in the winter time.

Senator **Fowler**. The Forest Service has some sort of fee to take tourists and visitors for recreational uses in the Tongass, does it not?

Ms. **Kaden**. Yes, sir. And this leads to one of my favorite statistics to quote.

Senator **Fowler**. Do not give me too many.

Ms. **Kaden**. Just one How about that? I would just like to point out the inequity, this is the——

Senator **Fowler**. As long as it is the one I am looking for. [Laughter.]

Ms. **Kaden**. The tourism industry, wilderness outfitters in southeast Alaska, my company being the oldest and the largest, we pay $3 per person for one day to take one of our guests into the Tongass National Forest to look at trees and to photograph trees, for non-consumptive use in the forest.

For about $1.50 to up to $2, the timber industry can remove altogether 1,000 board feet of timber that took 300 years to grow. And we feel this is a blatant subsidy of one economy, one segment of our economy, over another.

We feel that the tourism industry is growing and standing on its own, that it is a stable industry. And if it did not have to constantly thwart the subsidies and mandates that are handed to another industry in southeast Alaska under section 705, we feel that the demand for tourism, the offerings and the return of tourism to the economy of southeast Alaska would rise right off the charts. Just as it has done the last 2 years.

Senator **Fowler**. You are saying it cost $1.50 to cut a tree, and $3 to photograph it?

Ms. **Kaden**. Yes, $3 per person per day. I am sorry, if that guest stays for a second day with our company, he has to pay another $3.

Senator **Fowler**. Well, you would have to snap fast. [Laughter.] I would yield to my chairman.

Senator **Bumpers**. Bonnie, you are a private entrepreneur in the tourist business?

Ms. **Kaden**. Yes, sir.

Senator **Bumpers**. You own your own business?

Ms. **Kaden**. I own my own business, I am a director of Alaska Discovery, which sent me here today, which is the largest tourism company, it is a corporation and I do not own that one. I own the company that took you kayaking.

Senator **Bumpers**. How many people do you take to the Tongass a year? For this particular $3 charge?

Ms. **Kaden**. For this particular $3 jaunt, this year we have guest space of in excess of 3,000. I really do not have the final 1987 figures.

Senator **Bumpers**. That was in excess of 3,000?

Ms. **Kaden**. Yes, sir.

Senator **Bumpers**. What do you charge people other than U.S. Senators? [Laughter.]

Senator **Bumpers**. To get into a kayak and assure them that are not going to turn over and drown?

Ms. **Kaden**. Generally, wilderness tours, such as the type that my company offers, run $100 to $150 a day, per day, $3 of it to the Forest Service.

Senator **Bumpers**. Well, your business is going to pick up because I have got two pictures of me and my son in a kayak up there, and people ask me who in the world got you to do that. I tell them you did.

So anybody that could do that to me could do it to anybody. [Laughter.]

I have a host of questions for, not all of but some of these witnesses, which I will submit for the record.

Senator Murkowski.

Senator **Murkowski**. Thanks, Mr. Chairman. Bonnie, I too enjoyed your hospitality. It was delightful. In fact, I feel so strongly about kayaking, I am looking to find one of the type that you offered us a ride in. It was great fun.

You mentioned the inequity. I am reminded, I do not know what the State budget is for tourism, but a pretty healthy budget, in reflection of what other states provide. We do advertising nationally.

And we do it obviously to attract tourists to your organization and others that can provide a service. So I think we have to keep in mind, to some extent, that the timber industry is allegedly being charged here with so-called government subsidy.

You have had an opportunity to review the testimony and make an evaluation. But I think it is fair to say that whether we talk about promoting tourism with state funds, I am not sure, but it seems to me that state budget is several millions of dollars. As compared to what the State budget is to provide incentives or attractiveness from the state standpoint for the timber industry, we do not do that.

We have a state forester that manages state forest lands, but not much of it because most of the lands are, of course, in the Forest Service and your operation in Glacier Bay, as a national park is exempt from any exposure of logging, as it should be.

But tell me, Alaska Discoveries, is that an Alaska firm, an outside firm? Who owns it?

Ms. **Kaden**. It is a corporation, it was begun by my husband and myself, Chuck Horner. We have all of our shareholders are in Sitka to Yakutat.

Senator **Murkowski**. So it is an Alaskan firm.

Ms. **Kaden**. Yes, sir. Could I respond a moment to the amount of funding that is put into the tourism industry by the State of Alaska and not by the U.S. Congress?

Mr. Murkowski, tourism in Alaska is a $1 billion a year business. Rightfully the state should invest in our advertising for this reason, that 70 percent of the dollars that come into the tourism industry remain right in the State of Alaska.

They are not exported to the Pacific Rim. They do not come back as other products. They are used right there. They employ Alaskans throughout the State. We are talking about a $1 billion a year, of which 70 percent stays in the state.

In southeast Alaska alone, we are looking at a $300 million, I need an economist real quick to figure that one out, boost every single year to the economy of southeast Alaska.

Senator **Murkowski**. I think it is fair to say that they are both renewable resources. The timber industry and the tourism industry.

And they both play a very important role in maintaining a contribution to the economy. Because as you point out, tourism dollars remain in Alaska. To the benefit of Alaskans who are providing this service.

The jobs in the timber industry are obviously the reason that people can live in Sitka or live in Ketchikan, and contribute to the lifestyle that they have chosen. So it is a matter of a balance, it is a matter of compromise. And I think we have to maintain that. Sometimes it is a little difficult to do.

For the record, I would like to again go back to Mr. Mehrkens and make sure we understand the same set of figures.

Commercial suitable timber available for harvest is somewhere in the area of 1.75 million acres to 2 million acres, less than 11 percent of the Tongass or one-tenth of 1 percent, which would be allowed to be cut over a 100-year cycle.

Do you agree with that or disagree with it, in general?

Mr. **Mehrkens**. If the current forest plan were to prevail from now on, then roughly——

Senator **Murkowski**. It is your recommendation that it should?

Mr. **Mehrkens**. Yes. Well, it is not my recommendation that it should.

I am saying if it would or if it could, then the figure roughly, 10 percent of the land base of the total forest of all types, you know, anything from rock and ice to your most valuable timberland would be cut. That is correct.

Senator **Murkowski**. It has been, I think, acknowledged that 1.3 million acres was taken out of the commercial area and put into wilderness as a consequence of what was deemed to be an agreement that at least $40 million of 450 million board feet of timber would be made available.

Now that is in law, it is in statute. And I can read it to you. If there is any question I would be happy to provide it. It says at least $40 million.

Professionally, the 1.3 million acres, in your opinion, was that a harvestable portion of the commercial forest or was it not? That was put into wilderness?

Mr. **Mehrkens**. Based upon past practices of the timber industry in harvesting lands, I would say no. That the full amount that was designated as commercial suitable available forest lands that were just given away——

Senator **Murkowski**. The Yakobi area, for example, Yakobi Island. Is that potentially commercial harvestable in an area that would be in demand?

Mr. **Mehrkens**. Well, you can harvest anything at any cost.

Senator **Murkowski**. From the standpoint of whether there was an economic return? Where there was a market for that timber, if indeed it were put for sale, is my question?

Mr. MEHRKENS. Parts of it, yes. All of it, no. All of it was withdrawn, all the classification in the commercial forest lands, let us say in Yakobi Island, West Kitchita, a lot of the other wilderness areas, probably has a very low probability, even if it was thrown in the timber base, of being harvested under the current structure of the timber industry.

Senator MURKOWSKI. But to keep, and I think what is necessary, as the witness has testified, we still have got 16.8 million acres in the Tongass, the forested portion is 9.6 million acres.

The total wilderness, total wilderness is 5.4 million acres. That means you are not going to cut any of the virgin growth. I recognize a lot of it is rock, a lot of it is unsuitable.

But I am told that there is approximately 1.3 million acres of commercial area in that 5.4 million acres of wilderness. I think the record has to reflect that. And the timber that we are talking about harvesting on a sustained yield basis is approximately 1.75 to 2 million acres.

Mr. MEHRKENS. Can I help clarify that please?

Senator MURKOWSKI. Sure.

Mr. MEHRKENS. One of the reasons I am here today is that we have had a lot of numbers thrown at us over the last 10 years, seven to 10 years. And they are thrown out pretty loosely.

One of them is this commercial forest land. What they are saying is that a commercial forest land can grow trees at a certain rate. And that it appears on the mountainside somewhere that, logically, if you had enough money, you could get a harvesting system to take it out.

Now, it may cost you three times worth the value of the timber to get it out. But since it meets the first two criteria, it is included as commercial forest lands. Now, one of the things that I would like to stress is that we are only talking about one-tenth of 1 percent, even using a very liberal non-economic definition of commercial forest lands.

And that regardless of the wilderness that the ANILCA passed, that piece of the pie, those lands which are viable, are diminishing. We have gone through some of the best.

Our dependence on the stuff that we have never used before, after 1990, should the plan proceed for the next 70 years untouched, would go up by four times. Now, I maintain that that is not very feasible.

So when we talk about one-tenth of 1 percent, I would say it is a heck of a lot less than that when it comes to reality of what is going to be economically viable. And that is the strait that we are in with this mandated timber supply in the permanent appropriation.

Senator MURKOWSKI. How much of the Tongass timber base is commercial today in terms of current analytical methods? Forest practices, NFMA?

Is the Forest Service not going to make that kind of a determination during the current Tongass timber plan revision, which is part of the process? My question is, why should we not then get this information so we know?

Mr. MEHRKENS. I have two responses here. One is that we do not need to go through an expensive planning process to know what we already know.

Senator MURKOWSKI. Which is what?

Mr. MEHRKENS. That the definitions per se of trying to boost the timber industry through investing in all of these marginal, non-economic lands is just not going to work.

And it seems to me that if we know that, why are we carrying over the flaws of the previous plan and encumbering the new plan with them?

One of my points is that if you really want to get some balanced solutions out of that Tongass Land Management Plan revision, we have got to let it go without these known flaws.

Senator MURKOWSKI. Well, I have introduced for the record, Mr. Chairman, the first phase of the plan. It is on your desk in front of you.

And it marks the first of an order of public hearings addressed to begin the input. It is not going to be ready for 2 years. And you are suggesting that already the plan that we are going to get is not going to be worth the input of the process?

Mr. MEHRKENS. No, Senator Murkowski. I am an advocate of NFMA planning. If you go through my record up there in the Tongass, you will find many files for the records, and all that kind of stuff——

Senator MURKOWSKI. Then why should we wait for this process to occur?

Mr. MEHRKENS. I am not saying that we should not wait for it. I am saying that we know we have a problem, we can correct it, we have a small window of opportunity to allow that process to go forward without the mistakes of the past. Pure and simple.

Senator MURKOWSKI. This legislation before us would absolutely eliminate the process.

Mr. MEHRKENS. No, it would not.

Senator MURKOWSKI. Because it would not be allowed to continue and funding would not continue.

Senator BUMPERS [presiding]. Gentlemen, I am going to have to interrupt.

We have a vote, and we only have five minutes left on the vote. And Senator Murkowski, we are going to be here very late unless we bring on the next panel.

I would like very much to submit any additional questions either of us have for this panel in writing, and bring on the next panel, because it is going to be a very long afternoon if we do not do that.

Senator MURKOWSKI. Mr. Chairman, I would like to accommodate that, but I do have some questions that I intend to pursue.

I do not anticipate taking much more than five more minutes with panel.

Senator BUMPERS. Well, why do you not go ahead and conclude and I will go and vote.

Senator MURKOWSKI. No, I am sorry. I think I am entitled to ask for a recess to vote, in keeping with the rules of the committee. And I would so initiate that request.

Senator BUMPERS. Can we have an agreement that you will limit yourself to five minutes after we return?

Senator MURKOWSKI. I would hope to be able to conclude in five minutes, Mr. Chairman.

Senator BUMPERS. Well, the Chair wants to accommodate the Senator in every way possible. But we do have to get this show on the road. So we will recess while we go vote, and then we will return.

[Recess.]

Senator MURKOWSKI [presiding]. Ladies and gentlemen, I would like to call the hearing back to order. Senator Bumpers has asked me to continue until he returns.

Dr. Schoen, can you tell us a little bit about the deer populations in southeast Alaska? Mitkof, Warnoski, Sarimbo, what is happening to those deer populations?

Dr. SCHOEN. I would be happy to. I think that is a very important point.

We have been told that, we heard that deer populations are at their highest levels in southeast, and northern southeast Alaska. That is true. Admiralty, Bearnof, and Chichkof have very high levels of deer.

Senator MURKOWSKI. Can you tell us why?

Dr. SCHOEN. Yes, because deer populations, as most wildlife populations, are very dynamic.

In southeast Alaska, the major limiting factor on deer is winter range and snow. In the last 2 years, we have had very, very mild winter conditions. And deer populations have increased throughout southeast Alaska, with one exception.

In Game Management Unit Three, the Rangall-Petersburg area, which includes Mitkof, Kupernof, and other islands, those populations have not come back. There has not been a hunting season in that area for over 15 years.

Senator MURKOWSKI. Let me ask you a question. What is the wolf range in southeast Alaska? Are there any wolves on ABC Island?

Dr. SCHOEN. No.

Senator MURKOWSKI. And the ABC Islands have the highest concentrations of deer?

Dr. SCHOEN. Yes.

Senator MURKOWSKI. So is there a relationship between the islands that do not have wolves and the higher deer populations?

Dr. SCHOEN. Yes, there is. That is one relationship. But that is not an easy answer.

Wolves occur on the mainland coast and the islands south of Fredric Sound. In the early 1970's and the late 1960's we had some extreme winter snow conditions. We have 6 feet of snow in the winter of 1971 and 1972 at Petersburg at sea level for many months. Deer populations crashed all over southeast Alaska.

In areas where there were wolves, deer populations have rebounded very slowly. In areas where there were not wolves——

Senator MURKOWSKI. What happens is the deer go down to the beach and they are easy prey for the wolves in the heavy snow. Is that not right?

Dr. SCHOEN. That is in part correct. And I might just go on to say that if you will look at my photograph of Mitkof Island in the cutting areas, you will notice that all of the highest value deer habitat on Mitkof Island has been clear cut.

And even though Mitkof Island has some of the highest density deer populations in all of southeast Alaska, in the mid to early 1960's they have not come back.

And we do not expect, even if we did not have to worry about wolves, we do not expect that that population would ever again achieve the levels they did in the early 1960's, because the winter habitat simply is not there. And the winter habitat and the very serious winter snows that play a major role on deer populations in southeast Alaska.

Senator MURKOWSKI. Well, Dr. Schoen, I cannot help but think that you are downplaying the significance of what the wolves do to the deer population, given the realities of, how many deer does a wolf pack take a week?

Does a deer take a wolf a month? A wolf a year? Or is it the other way around? Does the wolf take a deer a day or a deer a week?

Dr. SCHOEN. I am not a wolf ecologist, Senator Murkowski. So I do not have all of those figures at my hand.

Senator MURKOWSKI. Well, I can recall areas of southeast Alaska that at times had high populations of deer. And when the wolves moved in, the deer are gone.

Dr. SCHOEN. That is a great concern that the Department of Fish and Game has, and it is certainly a situation that is a problem.

But what we see as the problem is one of we are not going to eliminate deer in southeast Alaska because of wolves. They have obviously been co-existing for thousands of years, since the last ice age.

However, what happens is when those populations decline to very, very low levels, then a predator population can exert enough pressure on the prey population that it takes a long time for them to rebound.

Senator MURKOWSKI. It is kind of interesting, you even go up to Fog Neck Island, and I do not know, I think the limit up there is five deer. There are no predators. Just the uniqueness, the wolves are not there.

But in view of that, what was the definition of the old-growth habitat that you referred to? Is it not current logging practice to keep that area in its present use state along the beachfronts and so forth?

Dr. SCHOEN. That was one of the TLUMP definitions of deer winter range, was forest land within a certain distance of the beach and a certain elevation.

The TLUMP definition was developed before most of the intensive research began. Frankly, I was the principal investigator for the Department of Fish and Game on the bulk of the deer research in southeast Alaska since 1977. And we found that deer winter inland much farther from the coast than the TLUMP definition prescribed.

Furthermore, I think it is important to realize that the low-volume forest, which was included in the TLUMP definition of deer winter range, is essentially very, very poor winter deer habitat, in winters of deep snow.

So that was my comment when I said that the TLUMP definition of deer winter range was flawed.

Senator **MURKOWSKI**. It seems to me there is an inconsistency with the expertise of the deer research. And not too much knowledge of the wolf habitat.

It is no secret that the hunters in southeast Alaska ideally go ashore in a small boat and hunt the fringe during the later season, because they do not have to pack the deer out so far.

They do not go up on top of the mountain, because they do not have to. And in the heavy snows, they go into the area where the heavy growth of timber is.

Dr. **SCHOEN**. I might mention, Senator Murkowski, that we have had radio-collared deer for about 5 years. So we were able to track them inland many miles from the coast. And including the winter of 1982, which was a moderate snow year, although not a severe snow year.

Senator **MURKOWSKI**. Mr. Metcalf, if this bill passes and the Tongass budget is made subject to annual appropriations, what information should we use to make our decisions on funding?

Mr. **METCALF**. Well, I think if you go back to the National Forest Management Act, the Tongass Plan absolutely has to be in compliance with NFMA.

One of the safety valves that we put in the original Tongass Plan was that that plan would be in compliance with NFMA by 1983. The Forest Service unilaterally decided not to do that, with no public involvement, no public disclosure.

And quite frankly I believe that if they had made it in compliance with the NFMA, that they would not have been able to cut the timbers they had. So I am a firm believer of the planning process, and I will take my chances on any national forest in the United States except the Tongass.

Senator **MURKOWSKI**. Mr. Mehrkens, using your definition of commercial timberlands, how much of Admiralty Island contains commercial timber?

And was there not a million acres on Admiralty Island that was put into wilderness?

Mr. **MEHRKENS**. I do not have the answer to that. I could certainly——

Senator **MURKOWSKI**. I would appreciate your providing it for the record, if you are so inclined.

Mr. **MEHRKENS**. I would also recommend that perhaps not only asking myself, that you could get that answer from the U.S. Forest Service.

Senator **MURKOWSKI**. We intend to get it. We would appreciate your submission as well, if you are inclined to do so.

Mr. Metcalf, I think this is my last question. You were appointed manager of the Admiralty Island National Monument.

Mr. **METCALF**. That is correct.

Senator **MURKOWSKI**. And some of us felt very strongly about trying to maintain the sanctity of Admiralty as a consequence of, I think, congressional action, which allowed Shee Atika 22,000 acres.

Mr. **METCALF**. It was 24,000.

Senator **MURKOWSKI**. Excuse me, 24,000 acres as part of their settlement. And that was mandated by congressional action.

The logic or lack of logic certainly deserves some examination. But nevertheless, that was the decision. And the Angoon folks, rather than selecting on Admiralty, chose to do an exchange. And selected on Prince of Wales. So that is where they are logging and generate their return off the timber industry.

But my question to you, sir, is, as one who obviously looked on the uniqueness of Admiralty and the idea that the sanctity was something that was desirous, because, you know, we just had the exposure, and those of us that were involved tried to work with environmental groups to get an exchange of other wilderness that was less desirable, and exchange it in the sense of maintaining the entire sanctity of Admiralty, with the exception of the mining claims that were already patented. And we got into the issue, embroiled in selections that were already a part of the contractual sales or in the allotments.

I am just curious to know from one who was there and from your vantage point, why it would not have been better to take wilderness someplace that was less desirous and exchange that to the Shee Atika group and maintain the sanctity of Admiralty from timber cutting?

Mr. **Metcalf**. I think that was tried.

Senator **Murkowski**. Well, we sure tried it. But we could not get any support from those that said, absolutely not, you are not going to do an exchange of a wilderness area to allow the sanctity of Admiralty.

Mr. **Metcalf**. I do not think that is correct. I went on record as supporting SEACC and a number of other organizations, went on record as supporting.

In fact, I came back and testified to the House that we in fact agreed to that. And negotiations broke down between, I think, Sea Alaska and some of the other interest groups. But we in fact supported that.

Senator **Murkowski**. Well, I recall a group of national environmentalists that flew throughout Alaska, they went over Admiralty, and decided they did not want any part of supporting an exchange, where another wilderness less desirable than Admiralty would be given up to get Shee Atika off.

And I thought it was very shortsighted because we really had an opportunity there to try and curtail the logging, and the logging continues.

Mr. **Mehrkens**. Senator Murkowski, could I also respond to that?

Senator **Murkowski**. Sure.

Mr. **Mehrkens**. I was not directly involved with that. But my understanding was that those proposals were indeed made to make trades on the other side.

Senator **Murkowski**. The proposals were made in the allotment. Somebody would have to give up timber they already had.

There was no proposal by any of the environmental groups to urge giving up a portion of less desirable wilderness so that the Admiralty, which theoretically had a higher value, would be maintained in its entirety.

Mr. **Mehrkens**. Senator, I flew over with the environmental groups and I worked with the Forest Service on Bay of Pillars and other areas that were outside the timber base. South Edland was also put up at that time.

Senator **Murkowski**. And that is somebody's allotment.

Mr. **Mehrkens**. No it was not. That is within the national forest system. One is a roadless area and the other is a lot one release or a wilderness release area.

Senator **Murkowski**. But it was the lot ones.

Mr. **Mehrkens**. Well, the lot one release. The point is, in my understanding that deal fell through, because the concession from the other side is they want more money going into the timber industry, such that more money would be going into the roading program for the timber industry and the long-term contracts.

Senator **Murkowski**. Well, as I recall it, they even came into Congress and asked for a special appropriation. And the likelihood of funding for that was obviously unreasonable.

It did not go anywhere. It was too bad. But I think we lost an opportunity that, you know, regardless of how you feel, that is something we could have done, should have done, did not get done. And I feel bad about it. But I guess that is the way it goes.

I have used my 5 minutes. And I want to thank the witnesses. If no one has anything to comment on, particular representation, if you all represent either the organization you are with or you individually represent yourself, why I assume that is the case.

If you want to enlighten us for the record on any other representation or assistance, why then it is appropriate. Yes.

Mr. **Sever**. I would like to make a comment on an issue that was raised Tuesday about the small communities in Southeast Alaska being the only ones that were in favor of the Tongass Timber Reform Act, and that were in favor of amending the contracts and the $40 million gift from the U.S. Forest Service.

There were two individuals that were conspicuously absent from the mayors panel Tuesday, and those were the mayors of Ketchikan and Sitka. I cannot speak for the mayor of Ketchikan.

But in the last mayoral election held on October 6th, the mayor that testified in front of the House of Representatives ran on the issue of, one of the major things he ran on was that he was a lobbyist for the timber industry, and that he supported the 50-year contracts and the Tongass Timber Supply Fund. And he was resoundingly defeated.

Three of the four positions for the assembly were filled by people who came out publicly in favor of the Tongass Timber Reform Act. So not all of the mill towns are even in favor of the supply fund as it stands.

Mr. **Mehrkens**. Senator, could I clarify one further point? I just wanted to make it clear that in terms of the Tongass Land Management revision, that this thing will go on regardless of Section 705(a) and the permanent appropriation.

What I am advocating is that I think we will have a better process out of that plan, to come up with a more balance, diversified solution, should we pass the Tongass Timber Reform Act and remove those restrictions, the hand-tying of the planners on the Forest Service.

I believe that process can and will work, if given the chance.

Senator MURKOWSKI. Thank you. Thank you, ladies and gentlemen.

I think it is appropriate that we would ask that the mayor and the council of Sitka, should they wish to put something in the record, the record would remain open, I imagine, for 10 days or two weeks or thereabouts, if there is any statement that would be addressed by any of you or your communities, it would be most appropriate.

We would appreciate it very much. We thank you for being with us. We wish you a good day.

Mr. METCALF. Senator Murkowski, I wonder if I could introduce these two photos as part of my testimony?

Senator MURKOWSKI. Sure. They will be entered in the record with your prepared statement.

The next panel will be an industry panel.

The group on panel two will be Mr. Finney, general manager of the Alaska Loggers Association, Ketchikan, Mr. Martin Pihl, general manager of the Ketchikan Pulp Company, Mr. James Clark, counsel to the Alaska Loggers Association, Mr. Carl Newport, timber economist, Portland, OR, and Mr. Mark Rey, vice president, Public Timber Council, National Forest Products Association, Washington, DC

Gentlemen, you have been patient, and I have been patient, and the previous panel has been patient. So you may proceed as you see fit. We would appreciate any summary that you would be inclined to make. And I want to thank the reporter who has been working all day as well, and the staff.

STATEMENT OF DON FINNEY, MANAGER, ALASKA LOGGERS ASSOCIATION

Mr. FINNEY. Thank you, Mr. Chairman. I do have a longer statement for the record, and I will do some summarization of my statement.

Senator MURKOWSKI. I understand some of you may have to catch airplanes. So we will understand.

Unfortunately, we may have questions of you that we would submit in writing.

Mr. FINNEY. Yes. I am one of those persons, Mr. Chairman. If you want to question me after my testimony, that will be fine.

Mr. Chairman, members of the committee, my name is Don Finney. I am the manager of the Alaska Loggers Association.

The Alaska Loggers Association is made up of logging companies, saw mills, and pulp mills throughout Alaska, representing 110 separate companies and 2,500 to 3,000 workers. In addition, there are over 200 associate members who employ several thousand persons.

I would like to explain some of the background of the section 705 compromise, and explain why Section 705 should not be changed at this time.

To briefly state the background of our industry, through a long and involved process in the late 1970's, we agreed to a compromise solution to H.R. 39, which ultimately resulted in the Alaska National Interest Lands Conservation Act, or ANILCA, of 1980.

Unfortunately, this compromise was made politically without the guidance of professional land managers or proper allocations of the lands. The Tongass Land Management Plan process was ongoing at that time.

But the proponents of the ANILCA legislation were not willing to wait for its completion to guide their decision. Because these allocations were made politically rather than sensibly, we find areas in the lands designated for logging that contain sensitive areas for fisheries, game management, and we find areas in the large wilderness designations with no sensitivity to other values and more suitable for timber harvesting.

The professional managers of the Tongass from the Forest Service and the Alaska Department of Fish and Game and others have the expertise to make these land allocations, and should have been permitted to do so when ANILCA was crafted.

We are again doing the Tongass Land Management Plan, and we should be smart enough, looking at the past experience, to let this process of public input, EIS, and professionalism make these land allocations. We should put the whole Tongass back on the table, and make sensible and professional land allocations.

Now I would like to talk about the repeal of section 705 and why it is unnecessary. We have heard the repeal of section 705 is necessary because we can no longer pay a subsidy of $40 million per year to the industry in southeast Alaska.

The key points for the Committee to realize in response to this are these. One, to the extent there is a subsidy, it is far less than the $40 million, and supports our workers, not the timber companies.

Two, Congress does not need to repeal section 705 to have oversight of the Forest Service expenditure of the Tongass Timber Supply Fund.

Furthermore, with operation of section 705 suspended for two years, there is no need for Congress to act prior to the completion of the Tongass Land Management Plan revisions. The Tongass will be subject to annual appropriations for the next two years.

Three, Congress should not legislate on the Tongass until the Tongass Land Management Plan revisions are completed. There is no $40 million subsidy. As constructed, section 705 money is the Tongass Timber Supply Fund, consisting of two parts.

One, the normal Forest Service budget for timber management, which at the time of passage of ANILCA was computed at $23.5 million, in 1978 dollars.

And two, the incremental amount of $11.7 million, computed in 1978 dollars, were intensive management monies needed to maintain jobs at the then-existing level, after section 705 wilderness designations.

The Forest Service expected to increase the combined amount of $35.2 million at 6.5 percent per year, and this is how the $40 million figure in 1980 dollars was reached.

Using the 1978 frame of reference, we do not consider the normal Forest Service budget of $23.5 million to be a subsidy. It is an appropriation just like every other region of the national forest receives.

Among other things, it pays the salaries of Forest Service fish and game biologists, landscape architects, and others whose job it is to mitigate and take care of the impact of the timber harvest.

Even if section 705 is repealed, the Tongass would still receive some funds for timber management through the normal appropriation process, where the successor to this $23.5 million figure will still be spent in Alaska, no matter what happens.

The other part of the Tongass Timber Supply Fund, the intensive management portion, is used today for pre-commercial thinning and pre-roading.

To our knowledge, there has been no opposition to the pre-commercial thinning program, which enhances the yield from the national forest and is truly in the nature of a long-term investment in the national forest.

It causes the forest to produce higher quality timber from the same ground, and this increases the return to the Government when that timber is harvested. This is not a subsidy to industry.

The other part of the intensive management program is pre-roading. Remember, these are roads which belong to the Federal Government. Pre-roading is not necessary when timber values are high, because the timber supports construction of the roads through purchase or credits.

When markets are bad, it is necessary to access timber in marginal areas with Federal pre-roading dollars. While the roads help us by accessing the timber, they not only belong to the Government, they enhance the return which the Government will get for its timber on the second entry to the area.

Again, this is not a subsidy to the industry. Alaskan workers are the beneficiary of the program. To be eligible for national Forest Service timber, a contractor must agree that the round logs will be manufactured into forest products before export from Alaska.

This primary manufacture policy generates approximately 10 jobs per million board feet in Alaska, versus only two jobs per million board feet for round log export.

The private landowners, who sold their saw logs in the round to the Orient, and their pulp logs to the pulp mills, made a profit over the last 5 years. While those required to perform primary manufacture suffered a loss.

The eight extra Alaska jobs made the difference in profitability. From the timber companies' point of view, round log export, not primary manufacture, is what will provide a profit.

In addition, if the primary manufacture policy were dropped, the Federal Government would get a positive stumpage return. Who would suffer? Again, not the timber companies. They make the money. The losers would be Alaska workers.

In short, to the extent you want to call a timber program in Alaska a subsidy, it is a subsidy to our workers made necessary to Congress' overdesignation of wilderness of the Tongass under section 703 of ANILCA.

The timber companies are not subsidized. They are simply a conduit of funds to our workers in the form of wages. Repeal of section 705 is not necessary.

The idea of repealing section 705 to get control of the Forest Service administration of the Tongass Timber Supply Fund is like the often quoted statement from Vietnam that we had to destroy the village in order to save it.

As these very hearings demonstrate, Congress can have a great impact on an unrepealed program through appropriate oversight. There were hearings in the House Interior Committee last year and the Forest Service stopped its policy of building roads in connection with uneconomic timber sales.

This year the Forest Service has a new accounting system, which will provide more information about how the Tongass Timber Supply Fund is spent, and where the money has gone. As a cross-check on the Forest Service accounting, the GAO is doing a study on where the money has gone.

There is simply no reason to act with respect to section 705 until Congress has had the benefit of the Tongass Land Management Plan revisions.

As part of the reconciliation process, this committee earlier this year suspended the entitlement provision of section 705, and made the Tongass timber supply subject to the annual appropriations process.

This means that in fiscal year 1989 the Tongass will be treated like every other national forest. Just what the advocates of section 705 repeal have urged. Accordingly, there is no reason why Congress cannot wait until the Tongass Land Management Plan revisions are completed before it acts.

The TLUMP revisions are required by the Resource Planning Act and the National Forest Management Act. They will be in the form of an environmental impact statement. This means that various land use and management alternatives will be presented.

These alternatives will be based upon the resource inventories, matrices, and analyses thereof accumulated by the Forest Service. The alternatives will have been subjected to public input process by the people who live in southeast Alaska.

The draft will be completed in December 1989. Congress will therefore be able to review a very serious study of the area by the agencies charged with its management before it legislates.

And I might add at this point that of the people that we have heard testify today, who say they do not want this process to go forth before the decision is made, they have not come up with any alternative of how to arrive at what these allocations should be.

They are challenging what we have, but they have not given us a method of arriving at it. There is no reason why Congress should not take advantage of this opportunity.

In conclusion, only a portion of the Tongass Timber Supply Fund should be characterized as a subsidy. To the extent it is a subsidy, it subsidizes our workers, not the timber companies.

We believe repeal is not necessary to obtain a better administration of the Tongass Timber Supply Fund. Changes already made by the Forest Service prove that oversight function is sufficient to do that.

However, if Congress desires to make changes, it should await the Forest Service completion of the Tongass land use management plan revisions before it legislates. We need a sensible, not a political, approach on the Tongass.

This time let us do it right. Let us do it with professional and sensible land allocations that once and for all designate proper areas for wilderness and wildlife protection, and proper areas for harvesting. Thank you, Mr. Chairman.

[The prepared statement of Mr. Finney follows:]

STATEMENT OF DON FINNEY
ALASKA LOGGERS ASSOCIATION
BEFORE THE SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
November 5, 1987

Mr. Chairman and members of the Committee, my name is Don Finney. I am the Manager of the Alaska Loggers Association (ALA). The ALA is made up of logging companies, sawmills, and pulp mills throughout Alaska, representing 110 separate companies, and 2,500 workers. In addition, there are over 200 associate members who employ several thousand persons. I would like to explain some of the background of the Section 705 compromise and explain why Section 705 should not be changed at this time.

A. BACKGROUND OF SECTION 705

To summarize the position of our industry: The arguments made today in support of repealing Section 705 were arguments made during the four years of hearings that preceded passage of ANILCA. Congress weighed the arguments of all sides and fashioned the Section 705 compromise to resolve the matter. Accordingly, there is a heavy burden on those who would alter Section 705 to show that something is fundamentally different from the case in 1980 when ANILCA passed. We think there is no such changed condition. Even if there were, to entirely repeal Section 705 because of such a change would be unfair. All that would be required in such a case would be to amend Section 705.

During the mid-1970's, I was one of the timber industry persons actively involved in the legislative efforts surrounding HR 39, which ultimately resulted in the Alaska National Interest Lands Conservation Act (ANILCA) of 1980. The Tongass compromise was critical to the Alaska Lands legislation in 1980. Since Section 17(d)(2) of the Alaska Native Claims Settlement Act provided for putting public lands into the "four system," action in Southeast Alaska was not contemplated because it was already part of the National Forest System. This involved Southeast Alaska in the ANILCA process by proposing 5.2 million acres of wilderness. Representatives of the U.S. Forest Service and the timber industry argued that no wilderness should have been designated in Southeast Alaska until the Tongass Land Management Plan (TLMP) had been completed (completion was scheduled in late 1978). Nevertheless, Congressman Udall and Congressman Sieberling insisted that Southeast wilderness would have to be included in HR 39 and pressed the Carter Administration for wilderness recommendations. (As we understand it, part of what caused the Forest Service to come forward with a recommendation in early February 1978 was the threat to transfer management of Admiralty Island to the Interior Department.) Nevertheless, a recommendation for wilderness was made to Mr. Seiberling's committee in February of 1978.

The TLMP plan (which was developed after the wilderness recommendations had made) sought to meet the inconsistent goals of meeting the wilderness requirements proposed by the Carter Administration and maintaining employment in Southeast Alaska at its then existing level. The final TLMP EIS reflected the "Regional Forester's alternative" which he proposed on August 15, 1978 (following a Carter Administration requirement that the "preferred alternative" be the administration position). The Regional Forester's proposal called for the use of intensive management funds to bridge the gap between the timber produced after the wilderness designations and the timber need to continue to maintain jobs at the industry's then current size. The strategy of intensive management was to enhance the yield from areas which were not economic to harvest under existing market conditions (see page 26 of TLMP) and from which higher yields could be obtained if the Forest Service spent money to pre-road the area or agreed to provide monies for the road.

The Regional Forester's alternative also pointed out that since there was no guarantee that funds would be appropriated for intensive management, certain areas (which were ultimately called special management areas) should be set aside from which harvesting could occur at a later date. Such areas were to be deferred from harvesting for five years.

The Senate Energy Committee of the 95th Congress used the Regional Forester's alternative as the basis for its compromise approach. On the one hand, the Senate Energy Committee put into wilderness most of the areas requested by the Alaska Coalition and the Carter Administration. On the other hand, it provided for 520 MMBF per year and adopted the special management area recommendation set forth in the Regional Forester's alternative. A number of the major areas with high timber volume were divided into part special management area and part wilderness. For example, the east half of Admiralty Island was designated wilderness, while the west half was designated a special management area.

The Senate Energy Committee also authorized a timber supply fund, including authorization for expenditures up to $10 million annually for timber road construction and $5 million for a special loan program to develop innovative technologies. After 10 years, the Secretary of Agriculture was to report to Congress regarding timber supply status and make recommendations regarding the future of the special management areas. Timber harvest on special management areas was prohibited without a further act of Congress, although the timber volume was to be included in the calculation of the annual potential yield.

The 95th Congress concluded on October 16, 1978, without Alaska Lands legislation. However, the Senate Energy Committee of the 96th Congress produced much the same bill regarding Southeast alaska as had been produced by the Committee in the 95th Congress.

The legislation, as we know it today, resulted from the following circumstances: When the Senate Energy Committee bill moved to the floor, Senator Tsongas of Massachusetts sought to amend it. When a motion to table Senator's Tsongas' amendment failed, Senator Stevens commenced a long series of amendments to Senator Tsongas' motion. The Senate leadership pulled the bill off the floor and requested that the various parties attempt to work out a compromise bill which could pass without a filibuster.

This discussion led to the second compromise made by the timber industry. All of the special management areas were converted to wilderness. This was a particularly high priority of the Sierra Club and the Alaska Coalition, which wanted all of Admiralty Island in wilderness. The 520 MMBF per year harvest level was reduced to 4.5 billion board feet per decade. For giving up the special management areas and reducing the timber harvest, the Committee agreed that the legislation would not be subject to the annual appropriations process. Rather, there would be an internal budget review by the Administration leading to automatic funding of the intensive management program. This is why the program calls for a minimum of $40 million to be spent to produce 4.5 billion board feet per decade.

As you know, the compromise, as outlined, passed the Senate and was sent to the House. The House passed the legislation in a lame duck session after President Reagan was elected in November 1980.

In short, there were two compromises by our industry. The first was a compromise which placed so much land in wilderness that the timber base was limited to producing no more timber on a sustained yield basis than would support industry at its then current size. That compromise was compromised again when we went from 520 MMBF per year to 4.5 billion board feet per decade and gave up the special management areas from which we could derive timber if the Forest Service failed to provide funds for the intensive management program set forth in the regional Forester's alternative.

Had we not compromised, there would have been no bill. Even though Admiralty Island had been administratively made a National Monument by Secretary of Interior Andrus, the Reagan Administration proposed to change that. Under TLMP, as proposed by the Regional Forester, the Northwest portion of Admiralty Island would have been available for timber harvest in 1985. In short, the environmentalists agreed to Section 705 because they needed Section 705. This is one reason that we feel that the agreement on 705, which was the key to the Alaska Coalition getting wilderness in 1980, should be honored.

B. REPEAL OF SECTION 705 IN UNNECESSARY

You have heard that repeal of Section 705 is necessary because "we can no longer pay a subsidy of $40 million per year to the timber industry in Southeast Alaska." The key points for the Committee to realize in response to this are these:

(1) To the extent there is a subsidy, it is far less than $40 million and supports our workers, not the timber companies;

(2) Congress does not need to repeal Section 705 to have oversight of the Forest Service's expenditure of Tongass Timber Supply Fund (TTSF). Furthermore, with operation of Section 705 suspended for two years, there is no need for Congress to act prior to completion of the Tongass Land Management Plan Revisions - the Tongass will be subject to annual appropriations for the next two years.

(3) Congress should not legislate on the Tongass until the TLMP revisions are completed.

1. There is no $40 Million Subsidy.

As constructed, Section 705 monies -- the TTSF -- consisted of two parts: (1) the normal Forest Service budget for timber management, which at the time of passage of ANILCA was computed at $23.5 million in 1978 dollars; and (2) the incremental amount of $11.7 million computed in 1978 dollars for intensive management monies needed to maintain jobs at the then existing level after Section 705's wilderness designations. The Forest Service expected to increase the combined amount of $35.2 million at 6.5% per year and this is how the $40 million figure in 1980 dollars was reached.

Using the 1978 frame of reference, we do not consider the normal Forest Service budget of $23.5 million to be a subsidy -- it is an appropriation just like every other region of the National Forest receives. Among other things, it pays the salaries of Forest Service fish and game biologists, landscape architects and others whose job it is to mitigate the impact of timber harvest. Even if Section 705 is repealed, the Tongass would still receive some funds for timber management through the normal appropriation process, the successor to the $23.5 million figure will still be spent in Alaska no matter what happens.

The other part of the TTSF -- the intensive management portion is used today for precommercial thinning and preroading. To our knowledge, there has been no opposition to the precommercial thinning program, which enhances the yield from the National Forest and is truly in the nature of a long term investment in the National Forest. It causes the Forest to produce higher quality timber from the same ground, and this increases the return to the government when that timber is harvested. This is not a subsidy to industry.

The other part of the intensive management program is preroading. Remember, these are roads which belong to the federal government. Preroading is not necessary when timber values are high because the timber supports construction of the roads through purchaser credits. When markets are bad, it is necessary to access timber in marginal areas with federal preroading dollars. While the roads help us by accessing the timber, they not only belong to the government, they enhance the return which the government will get for its timber on the second entry to the area. Again, this is a subsidy to the industry.

2. Alaskan Workers Are The Beneficiary of The Program.

To be eligible for National Forest Service timber, a contractor must agree that the round logs will be manufactured into forest products before export from Alaska. This primary manufacture policy generates approximately ten jobs per million board feet in Alaska versus two jobs per million board feet for round log export. The private land owners who sold their sawlogs in the round to the Orient and their pulp logs to the pulp mills made a profit over the last five years while those required to perform primary manufacture suffered a loss. The eight extra Alaska jobs made the difference in profitability. From the timber companies' point of view, round log export, not primary manufacture, is what will provide a profit. In addition, if the primary manufacture policy were dropped, the federal government would get a positive stumpage return.

Who would suffer? Again, not the timber companies -- they would make money. The losers would be Alaskan workers. In short, to the extent you want to call the timber program in Alaska a "subsidy," it is a subsidy to our workers made necessary to Congress' over designation of wilderness of the Tongass under

Section 703 of ANILCA. The timber companies are not subsidized; they are simply a conduit of funds to our workers in the form of wages.

3. Repeal of 705 Not Necessary.

The idea of repealing Section 705 to get control of the Forest Service's administration of the Tongass Timber Supply Fund is like the often quoted statement from Vietnam that "we had to destroy the village, in order to save it." As these very hearings demonstrate, Congress can have a great impact on an unrepealed program through appropriate oversight. There were hearings in the House Interior Committee last year and the Forest Service stopped its policy of building roads in connection with uneconomic timber sales. This year, the Forest Service has a new accounting system which will provide more information about how the TTSF is spent and where the money has gone. As a crosscheck on the Forest Service accounting, the GAO is doing a study on where the money has gone.

4. Wait For The TLMP Revisions.

There is simply no reason to act with respect to Section 705 until Congress had the benefit of the TLMP Revisions. As part of the reconciliation process, this Committee earlier this year suspended the entitlement provision of Section 705 and made the Tongass Timber Supply Fund subject to the annual appropriation process. This means that in FY 89, the Tongass will be treated like every other National Forest -- just what the advocates of

Section 705 repeal have urged. Accordingly, there is no reason why Congress cannot wait until the TLMP revisions are completed before its acts.

The TLMP revisions are required by the Resources Planning Act (RPA) and the National Forest Management Act (NFMA). They will be in the form of an environmental impact statement. This means that various land use and management alternatives will be presented. These alternatives will be based upon the resources inventories, matrices and analyses thereof accumulated by the Forest Service. The alternatives will have been subjected to the public input process by the people who live in Southeast Alaska.

The draft will be completed in December 1989. Congress will, therefore, be able to review a very serious study of the area by the agency charged with its management before it legislates. There is no reason why Congress should not take advantage of this opportunity.

5. Conclusion

In conclusion, only a portion of the Tongass Timber Supply Fund could be characterized as a "subsidy." To the extent it is a subsidy, it subsidizes our workers, not the timber companies. We believe repeal is not necessary to obtain a better administration of the TTSF. Changes already made by the Forest Service prove that the oversight function is sufficient to do that.

However, if Congress desires to make changes, it should await the Forest Service's completion of the TLMP revisions before it legislates. We need a sensible, not a political, approach on the Tongass.

Senator BUMPERS [presiding]. Thank you very much, Don. Mr. Pihl.

Mr. FINNEY. We would like Dr. Newport to go next, if we could.

Senator BUMPERS. It makes no difference to me.

STATEMENT OF CARL NEWPORT, TIMBER ECONOMIST, MASON, BRUCE, & GIRARD, INC., PORTLAND, OR

Mr. NEWPORT. Thank you, Mr. Chairman. My name is Carl Newport. I have been a member of the forestry consulting firm of Mason, Bruce, & Girard in Portland, OR for the past 20 years. That firm had already been in existence about 40 years before I joined them.

Prior to joining this firm, I was in charge of forestry, economics, and marketing research for the U.S. Forest Service in the Pacific Northwest and Alaska. And before that, I was professor of forestry economics at Colorado State University from 1952 to 1957.

Since becoming a consultant, I have served numerous clients in Alaska, including the State of Alaska, many Native village corporations, Sealaska Corporation, several small timber purchasers and mill operators, and two long-term timber sale purchasers.

I am currently a member of the Oregon Governor's Council of Economic Advisors. I have direct responsibility for the management of more than 400,000 acres of private forest lands in Oregon and Washington.

Those are some of the good things I have done. One of the bad things that has happened to me was that I agreed at no pay to be a member of the so-called expert advisory committee for the Wilderness Society report of April 1986, dealing with this very subject.

Senator BUMPERS. These experts are usually worth about what they cost. [Laughter.]

Mr. NEWPORT. That is right. That is about all I was worth. The subject of that wilderness report, as you know, was the section 705. The major point I would like to bring to you is this.

In order to maintain jobs in southeast Alaska, section 705 of the Alaska National Interest Lands Conservation Act constructed a timber management and sale program, which added together, one, the normal Forest Service timber appropriation in 1978 for sale, preparation, and administration, and two, to that it added the incremental funds for intensive management, counter-cyclical public spending program, as proposed in TLUMP. The portion of section 705, which constitutes the normal appropriation, was $23.5 million.

TLUMP also called for an incremental expenditure of public funds for roads when markets for timber products manufactured from the national forest timber were down. The net timber values were to cover fully the cost of development when markets were up.

Since, as shown on TLUMP's graphs and charts, the timber industry works in cycles, it is clear that Congress contemplated such market swings when it passed section 705.

The most recent downswing in the market cycle has been extremely severe, and at the same time major expenditures of incremental public funds have been made by the Federal government during the last 5 years.

The markets were going up, with markets going up at the present time, we probably can contemplate a period in which government incremental expenditures can be reduced.

In short, the expenditure of incremental public funds pointed to by some as a reason to repeal section 705 is really nothing more than the spending counter to the market cycle, which Congress agreed to do as part of the section 705 program.

That Congress intended to implement section 705(a) of ANILCA, in accordance with TLUMP, seems to be beyond argument.

I will skip through the testimony I have submitted to a latter page. So when enacting section 705, based on TLUMP, Congress knew that incremental expenditure's portion of the section 705 would need to fluctuate counter-cyclically to the market.

We have just been through a portion of one of those cycles, and it has been the bad half of the cycle. The market for southeast Alaska timber products rose to a peak in late 1979 and early 1980, then fell precipitously to a low in 1980 and 1981.

The markets have recovered rather slowly, and are only now showing considerable strength. This pattern is not new to the timber industry in southeast Alaska. I have attached to my testimony some charts showing past market cycles.

During 1973 the market for export logs from the Pacific Northwest to Japan increased dramatically. In the Puget Sound area, spruce logs for number two saw mill grade increased from about $150 per thousand board feet in the fourth quarter of 1972 to well over $400 per thousand board feet in the first quarter of 1973.

Similarly, hemlock saw logs increased from about $148 to $325 per MBF during that period in the past. While Tongass National Forest timber is not exportable as logs, the spruce and hemlock cants and squares serve the same end product markets in Japan as do the exported logs.

The Forest Service regularly collects selling values for cants, squares, and pulp that are produced in southeast Alaska in order to appraise the value of Tongass timber. These data indicate a pronounced increase in these selling values from 1972 to 1973, similar to the increase for the Pacific Northwest export logs of spruce and hemlock.

From the 1973 peak, Pacific Northwest export log prices for spruce and hemlock fell rather sharply in 1974 to lows in 1975, then recovered during 1976 and 1977 somewhat, dipped in 1978, and then increased sharply to new high levels in late 1979 and early 1980.

So you can see that the cyclical nature of the markets in which the Southeast Alaska timber industry has operated was well-known to the Forest Service when it adopted TLUMP.

Congress is presumed to also have known it when it agreed to spending varying amounts of public funds to provide 4.5 billion of harvestable Tongass timber per decade in order to maintain the pre-ANILCA employment, following the withdrawal of large areas for non-timber uses and benefits.

Concern has been expressed about the level of the Forest Service expenditures during 1982 to 1985. Bear in mind that this was the bottom of the timber market cycle for Southeast Alaska.

TLUMP and Section 705 were adopted on the upward phases of the cycles. As always, there are underlying reasons for the market cycles. These are, I will briefly state two of them that I cite in my written testimony, the changes in the general world economy and another has been the relative strength of the U.S. dollar.

The good news today is that Tongass timber markets are firming up in terms of sales volume and prices are strengthening. And these are projected to remain high. This reflects the strengthening of markets in Japan, Korea, and China, and is helped by the recent decline in the relative value of the U.S. dollar.

Markets for the spruce cants and hemlock squares manufactured by southeast Alaska mills are also improved in volume as well in price, and for the same reasons.

Furthermore, prices for dissolving pulp on the world markets, which are served by the two Alaska pulp mills, have improved considerably during the latter half of this year, and are projected to remain strong.

At the same time, there have been significant containment of cost of timber production in southeast Alaska. As shown by the chart for the Forest Service index sale, manufacturing costs have remained constant since about 1982. Logging costs, including roads, have declined slightly, due to efforts by both the industry and the Forest Service.

I hope that my testimony shows that Tongass timber economics changes in the cyclical fashion, just as TLUMP described. I hope it shows further that counter-cyclical spending, as proposed in TLUMP and adopted in Section 705, was and is a good congressional strategy for maintaining employment in southeast Alaska on an even basis.

The expenditure of funds made over the last several years is not extraordinary, but is really part of what Congress pledged to do in section 705.

This is not to say that the expenditures could not have been better directed by the Forest Service. I know that the Forest Service could have done a better job in administering the program. However, this is not a reason to repeal section 705.

That prompts me to add two more points to my remarks. First, the southeast Alaska timber industry, which provides the major forest-based employment about which Congress and section 705 was concerned, is now a viable, well-established, and major sector of the local economy.

This is contrary to what the Wilderness Society and other groups would have us believe. Allegations that saw mills are worn out and inefficient and that the two pulp mills are making outdated products are simply not true.

During the past several years, the Southeast industry has restructured and retrenched. Poor markets, small business programs, and other factors have dispersed mill ownership, resulting in updating of equipment and production systems, and forced closure of inefficient logging and mill operations.

A forthcoming GAO study report confirms that the Southeast industry has contributed greatly to the population, employment, economic development, and to stability in the local communities during the past 35 years.

Fishing, tourism, recreation, and wild game have not suffered adversely, as some groups would have us believe. So my final point to you is that section 705 should not be repealed.

Whatever adjustment and modification may be found necessary to make it more effective, if any is deemed necessary, should await the forthcoming revision of the Tongass Timber Management Plan. Thank you.

[The prepared statement of Mr. Newport follows:]

STATEMENT OF CARL NEWPORT
EXPERT WITNESS
BEFORE THE SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
HEARINGS ON HR 1516
NOVEMBER 5, 1987

My name is Carl Newport. I have been a member of the forestry consulting firm of Mason, Bruce and Girard, Inc., in Portland, Oregon for the past 20 years. That firm had already been in existence about 40 years before I joined them. Prior to joining this firm, I was in charge of forestry economics and marketing research for the U.S. Forest Service in the Pacific Northwest and Alaska; and before that, I was professor of forestry economics at Colorado State University from 1952 to 1957. Since becoming a consultant, I have served numerous clients in Alaska, including the State of Alaska, many native village corporations, Sealaska Corporation, several small timber purchasers and mill operators, and the two long-term timber sale purchasers. I am currently a member of the Oregon Governor's Council of Economic Advisors. I have direct responsibility for the management of more than 400,000 acres of private forest lands in Oregon and Washington. I was also a member of a so-called "expert advisory committee" for The Wilderness Society report of April, 1896, dealing with this very subject of Section 705 of ANILCA.

The major point I would like to bring to you is this. In order to maintain jobs in Southeast Alaska, Section 705 of the Alaska National Interest Lands Conservation Act (ANILCA) constructed a timber management and sale program which added together, 1) the normal Forest Service timber appropriation in 1978 for sale preparation and administration, and 2) the incremental funds for intensive-management, counter-cyclical public spending program as proposed in the Tongass Land Management Plan (TLMP). The portion of Section 705 which constitutes the normal appropriation was $23.5 million. (With more than 700 USFS employees averaging $30,000 per year, this amounts mostly to Forest Service personnel salary and not subsidy.) TLMP also called for an incremental expenditure of public funds for roads when markets for timber products manufactured from National Forest timber were down. The net timber values were to cover fully the cost of development when markets were up. Since, as shown on TLMP's graphs and charts, the timber industry works in cycles, it is clear that Congress contemplated such market swings when it passed Section 705. The most recent downswing in the market cycle has been extremely severe, and at the same time, major expenditures of incremental public funds have been made by the federal government during the past five years. With markets going up at the present time, we probably can contemplate a period in which government incremental expenditures can be reduced. In short, the expenditure of incremental public funds pointed to by some as a reason to repeal Section 705 is really nothing more than spending counter to the market cycle, which Congress agreed to do as part of the Section 705 program.

That Congress intended to implement Section 705(a) of ANILCA in accordance with TLMP is beyond argument. In supporting Section 705, Senator Tsongas stated:

> "Our amendment is rooted in the Tongass land management plan --- a 2-year effort by the Forest Service. That plan looked not only at wilderness, but at the region's economy ....
>
> ****
>
> "If we do not intend to follow the plan, why did we have it done in the first place? There were simply no other criteria as detailed and as creative as the Tongass land management plan."

126 Cong. Rec. S9428-9429 (daily ed. July 21, 1980) (Statement of Sen. Tsongas). Chairman Udall declared:

> "The guaranteed funding provided by Section 705 is to implement the timber management program of the Tongass Land Management Plan, as it was adopted in April 1979, in order to provide the 450 MMBF annual average mentioned in the subsection (1). This section is an affirmation of the current Tongass Land Management Plan, and provides direction to the Secretary of the Treasury."

126 Cong. Rec. H10544 (daily ed. November 12, 1980) (Statement of Representative Udall).

TLMP was based upon the Regional Forester's Alternative to the TLMP EIS which was made public on August 15, 1978 and was the basis for Section 705 of ANILCA. TLMP called for counter-cyclical public investments to maintain jobs. Pages 185 through 187 of TLMP make it clear that the volume of technically and economically marginal timber to be impacted by Section 705(a) was to fluctuate and that investment in any one year depends upon the market:

> "Investment Associated with the Timber Sale Program.
>
> Public investment in the timber program is currently $43.80/MBF covering costs of interdisciplinary study, engineering, investment in roads and preparation, and administration of timber sales. To obtain the proposed harvest of 450 MMBF under that Proposed Action, additional investment would be required to build access roads prior to timber sales, to finance advanced logging technology; and to achieve precommercial thinning of suitable timber stands.
>
> "(1) Investment in pre-sale logging roads: When logging and manufacturing costs and profit and risk allowances are subtracted from end-product selling values, the remaining value of the timber is available to the purchaser for road construction and stumpage. In some years, when markets are good, the remaining value is high and public investment may be at a lower level. However, in periods of poor markets -- when the available residual values are insufficient to cover the full cost of road construction -- government investments can be substituted to facilitate construction of the roads.

In other words, the funding was for all 450 MMBF and was to be spent in a counter-cyclical manner to offset fluctuations in Tongass timber markets.

To meet its obligation that it "supply" the timber to "dependent industry," TLMP contemplated that the Forest Service would make the public expenditures necessary to make the volume output economic. TLMP states at pages 180 and 181:

> "While the 450 MMBF can be provided, a considerable portion of this volume will have to come from lands that are presently considered economically and technologically marginal. Because of the above reductions in available CFL under current market conditions, this volume can only be attained by applying methods that will alleviate such marginality.:
>
> ****
>
> "The deficit volume can be made available by adding $11.7 million. This would alleviate the current marginality of enough potential harvest areas to make the 450 MMBF harvest level attainable. These investments would be for preroading, advanced logging technology and precommercial thinning."

It follows that Section 705 expenditures have the dual purpose of seeking to provide the necessary volume and at a price that industry can afford. Otherwise, the timber has not been "supplied" and the Forest Service has failed to meet its obligation.

In a colloquy on the Senate floor, Senator Stevens and Senator Jackson discussed the meaning of the term "timber supply":

> "When we talk about the necessity to maintain a timber supply for the dependent industry at a rate of 4.5 billion board feet per decade, we contemplate that there would be sufficient timber

> offered for sale so that dependent industry could harvest at that rate."

128 Cong. Rec. S11195 (daily ed. August 19, 1980). Citing the foregoing colloquy, the Forest Service' Assistant General Counsel provided the Forest Service an opinion dated January 1981 which advised that the words "timber supply" used in Section 705(a) do require the timber to be economic:

> "Since there is no other legislative history pertaining to the interpretation the drafters of section 705(a) gave to 'timber supply,' and since the clause itself leaves the interpretation ambiguous, we place considerable weight on the above passage and conclude that section 705(a) requires the Forest Service to offer for sale a sufficient amount of timber for contracts equal to 4.5 billion board feet of timber to be awarded each decade, free of legal and administrative contingencies which prevent harvest. This interpretation is most consistent with the general purpose behind section 705(a), ensuring that the Government does all it reasonably can to facilitate getting the requisite amount of timber into industry's hands. The timber industry interest which section 705(a) is intended to placate are logically more interested in being guaranteed a right to harvest a certain volume than in actually achieving a harvest at that rate themselves, regardless of market conditions. *These same interests would logically not consider to be part of their usable 'timber supply' sales which, due to their economic infeasibility or other reasons, are not purchased, or for which the right to harvest is delayed due to legal challenge.* Timber purchased, but which industry declines to harvest in a given year on its own initiative must be considered to be 'supplied' to industry, because the Government has no further control over its harvest and no other administrative or legal restriction in preventing its harvest."

Pages 5-6, Memorandum to William L. Rice, Director of Program Development and budget of the Forest SErvice from Clarence W. Brizee, Assistant General Counsel, Natural Resources Division. In other words, to be considered "supplied", the timber made available must be economic at the time it is offered.

This interpretation is consistent with Section 705(a)'s job-protection purpose. Congress did not intend to maintain employment in the dependent industry by asking the Forest Service to supply timber that would cost the industry more than the products were worth. Such timber cannot be purchased when offered and thus cannot meet ANILCA's employment objective as described by Congressman Udall:

> "The U.S. Forest Service economists predict that at the accelerated harvest levels planned by the Southeast Alaska Native Corporation, demand for national forest timber may fall to 400 MMBF annually by the end of the next decade, entirely as a result of the dynamics of the marketplace and regardless of land use designations. No more national forest timber should be supplied than can be sold at fair market value and the goal of the Forest Service should be to maintain employment, not to maintain an arbitrary cut level through changes in export restrictions or other methods. No more timber should be offered for sale than the Forest Service can reasonably expect to sell.

126 Cong. Rec. H10544 (daily ed. November 12, 1980) (Statement of Representative Udall). It follows that the Forest Service would have to make the public expenditures necessary to make economic

any timber that otherwise would be economically sub-marginal at the time it is offered for sale.

Any doubt on this point is laid to rest by the following statement of Senator Tsongas, the prime sponsor of the amendment which became law:

> "The compromise substitute designates approximately 5.3 million acres of wilderness and deletes the special management areas entirely. Section 705(a) of the committee substitute has been modified to assure the availability of at least $40 million annually for timber management programs in the Tongass forest. These funds will be available for the regular costs of sale and road layout and restoration and will also provide moneys for stand improvement, the timber road program, and related capital investments. These funds and the increased adequate timber supplies will be available to the dependent timber industry in southeast Alaska."

When enacting Section 705 based on TLMP, Congress knew that the "incremental expenditures" portion of Section 705 would need to fluctuate counter-cyclically to the market. We have just been through a portion of one of those cycles--and it has been the bad half of the cycle.

The market for Southeast Alaska timber products rose to a peak in late 1979 and early 1980, then fell precipitously to a low in 1980-81. The markets have recovered rather slowly and are only now showing strength.

This pattern is not new for the timber industry in Southeast Alaska. I have attached to my testimony some charts showing past market cycles. During 1973, the market for export logs from the Pacific Northwest to Japan increased dramatically. In the Puget Sound area, spruce logs of Number 2 sawmill grade increased from about $150 per MBF in the 4th quarter of 1972 to well over $400 per MBF in the 1st quarter of 1973. Similarly, hemlock Number 2 sawlogs increased from about $148 to $325 per MBF. While Tongass N.F. timber is not exportable as logs, the spruce and hemlock cants and squares serve the same end product markets in Japan as do the exported logs. The Forest Service regularly collects selling values for the cants, squares and pulp in Southeast Alaska in order to appraise the value of Tongass timber. These data indicate a pronounced increase in these selling values from 1972 to 1973, similar to the increases for Pacific Northwest export logs of spruce and hemlock.

From the 1973 peak, Pacific Northwest export log prices for spruce and hemlock fell rather sharply in 1974 to lows in 1975, then recovered during 1976 and 1977, dipped somewhat in 1978, and then increased sharply to new high levels in late 1979 and early 1980.

So you can see that the cyclical nature of the markets in which the Southeast Alaska timber industry has operated was well known to the Forest Service when it adopted TLMP. Congress is presumed also to have known it when it agreed to spend varying amounts of public funds to provide 4.5 billion of harvestable Tongass timber per decade in order to maintain pre-ANILCA employment following the withdrawal of large areas for non-timber uses and benefits.

Concern has been expressed about the level of Forest Service expenditures during the 1982 to 1985 period. Bear in mind that this was the bottom of the timber market cycle for Southeast Alaska. TLMP and Section 705 were adopted on the upward phase of the cycles. As always there are underlying reasons for the market cycles. In this case several factors have worked separately and in concert to impact the Tongass timber industry during 1982 to 1985. There has been a general downturn in the world economy. The GNP growth in major nations slowed. Housing starts in Japan declined by more than 20 percent at the same time that housing in the U.S. declined from the peak of 2 million to a low of about 1.2 million starts during 1982 to 1985. While Tongass timber does not directly supply U.S. markets for lumber, the weakening of U.S. markets tended to turn U.S. and Canadian producers toward the Pacific Rim and Japanese markets. Also the U.S. dollar reached high levels relative to the Japanese yen and other foreign currency of the Pacific Rim countries. This made it increasingly difficult to market Alaska timber products in their traditional markets. World pulp prices also weakened and declined following peak levels in 1979-1980.

Although cyclical markets were a fact of life for Tongass timber producers, no one anticipated such a combination of factors would drive the market so far below the general upward trend in prices and world-wide consumption.

The good news today is that Tongass timber markets are firming up in terms of sales volume, and prices are strengthening. Export log prices in the Pacific Northwest are up dramatically in 1986-87. This reflects strengthening of markets in Japan, Korea and China and is helped by the recent decline in the relative value of the U.S. dollar. Markets for the spruce cants and hemlock squares manufactured by Southeast Alaska mills are also improved, in volume as well as price, and for the same reasons. Furthermore, prices for dissolving pulp on the world markets, which are served by the two Alaska pulp mills, have improved considerably.

At the same time, there have been significant containment of costs of timber production in Southeast Alaska. As shown by the chart for the Forest Service index sale, manufacturing costs have remained constant since about 1982. Logging costs including roads have declined slightly, due to efforts by both the industry and the Forest Service.

I hope that my testimony shows that Tongass timber economics changes in a cyclical fashion just as TLMP described. I hope it shows further that counter-cyclical spending, as proposed in TLMP and adopted in Section 705, was, and is, a good congressional strategy for maintaining employment in Southeast Alaska on an even basis. Job maintenance and community stability have been Congress' purpose in maintaining primary manufacture on the Tongass since the 1940's. It thus follows that the expenditure of funds made over the last several years is not extraordinary, but is really part of what Congress pledged to do in Section 705. This is not to say that the expenditures could not have been better directed by the Forest Service. I know that the Forest Service could have done a better job in administering the program. However, this is not a reason to repeal Section 705.

That prompts me to add two more points to my remarks.

First, the Southeast Alaska timber industry, which provides the major forest-based employment, about which Congress and Section 705 was concerned, is a viable, well-established, and major sector of the local economy. This is contrary to what the Wilderness Society and other groups would have us believe.

Allegations that the sawmills are worn-out and inefficient and that the two pulp mills are making out-dated products are simply not true.

The industry is both vertically and horizontally integrated. It is made up of independent contract loggers, independent road contractors, sawmill companies, two large pulp mills, companies exporting privately owned logs, barge and tug boat operators, longshoremen, skilled service firms, sales persons, plus numerous related support services. Loggers sort out the best logs for making export cants and squares; other logs for local domestic lumber; pulp logs for the pulp mills, and cedar logs eligible as export logs or for local use. Sawmills produce cants and squares for export to Pacific Rim countries, lumber for local domestic use, and pulp chips for the local pulp mills. The pulp mills buy low grade logs and chips from loggers, sawmills and native corporations to produce high grade pulp for U.S., Japan, Mexico and other world markets. About one-half of the logs produced from Tongass timber stands are only suitable for pulp. Without the pulp mills, this lower grade material (which is part of every timber stand and every tree), would have little or no market value and only a small portion of the Southeast timber industry could survive.

During the past several years, the Southeast industry has restructured and retrenched. Poor markets, anti-trust pressures, and small-business programs have dispersed mill ownership, resulted in updating of equipment and production systems, and forced closure of inefficient logging and mill operations.

A forthcoming GAO study report confirms that the Southeast industry has contributed greatly to the population, employment and economic development and to stability in the local communities during the past 35 years. Fishing, tourism, recreation and wild game have not suffered adversely, as some groups would have us believe.

So, my final point to you is that Section 705 should not be repealed. whatever adjustment and modification may be found necessary to make it more effective, if any, should await forthcoming revision of the Tongass Land Management Plan.

Thank you.

Carl A. Newport

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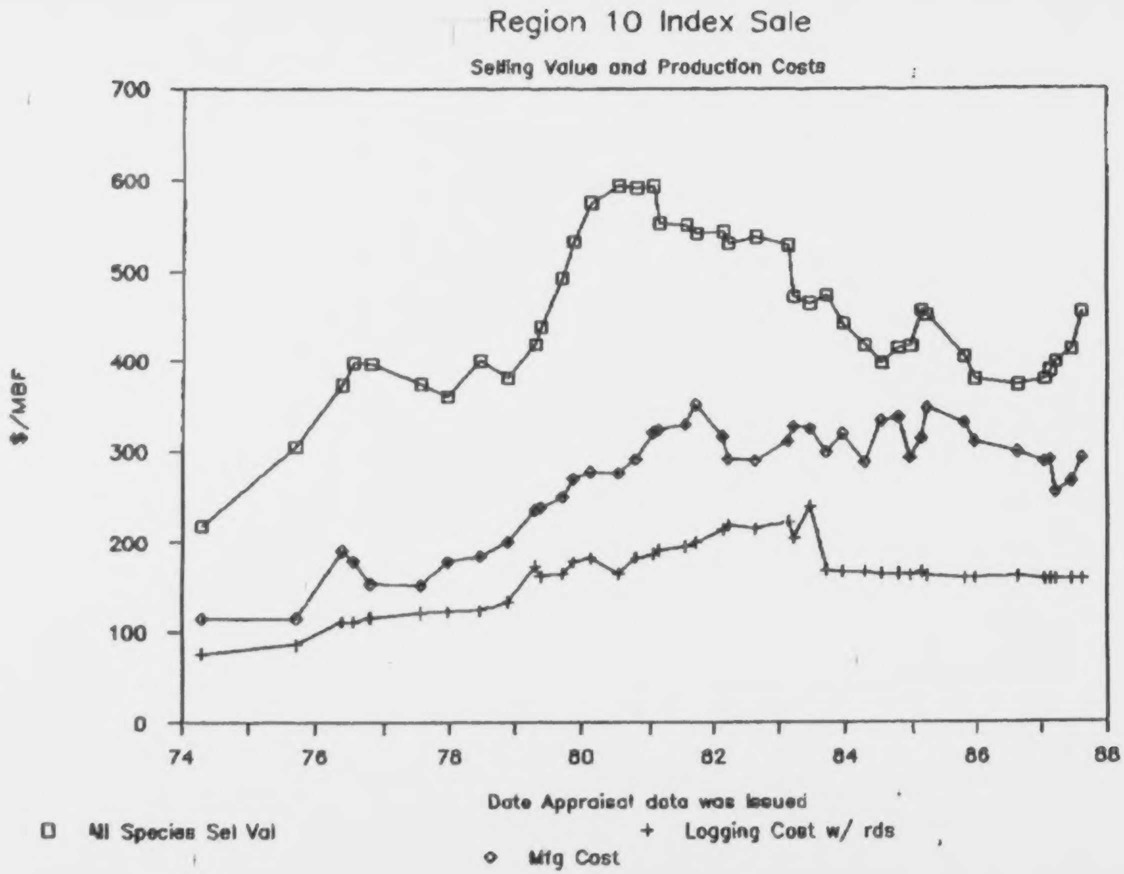
Region 10 Index Sale
Selling Value and Production Costs
$/MBF
700
600
500
400
300
200
100
0
74
76
78
80
82
84
86
88
Date Appraisal data was issued
□ All Species Sel Val
+ Logging Cost w/ rds
◇ Mfg Cost

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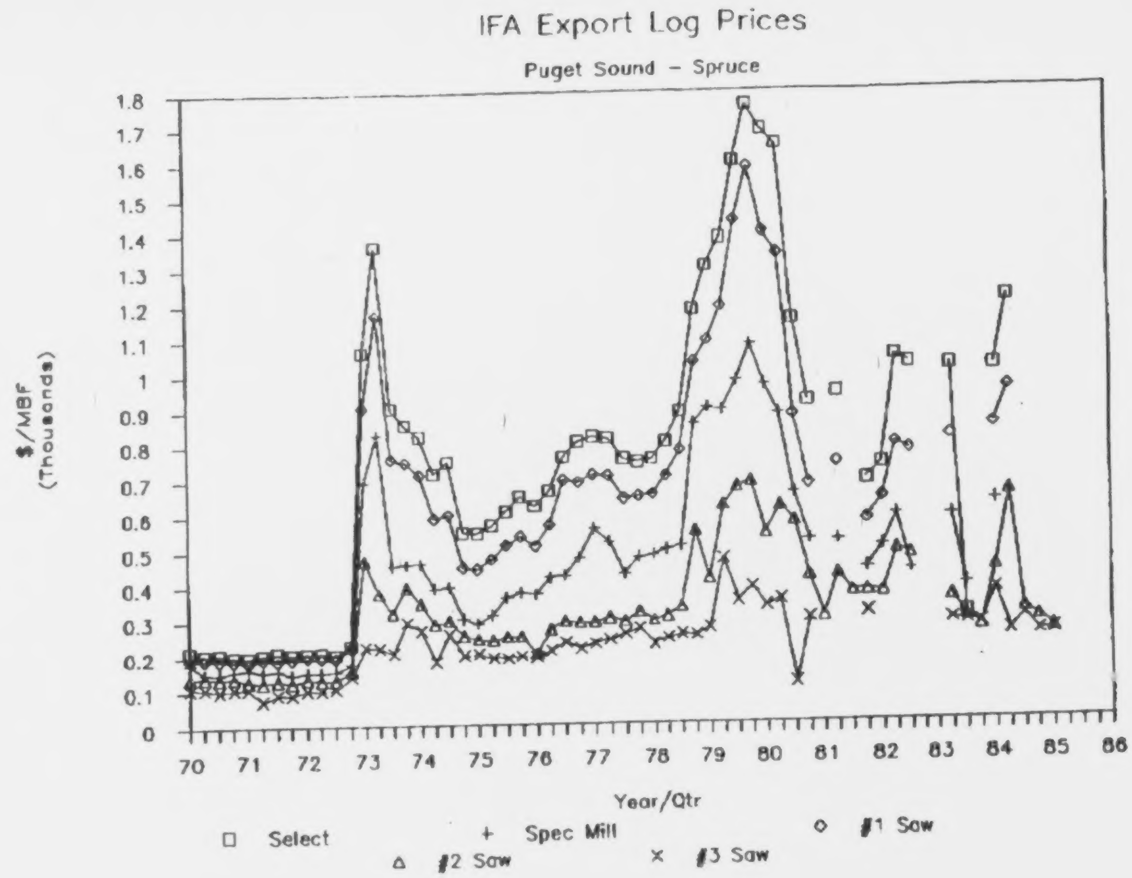
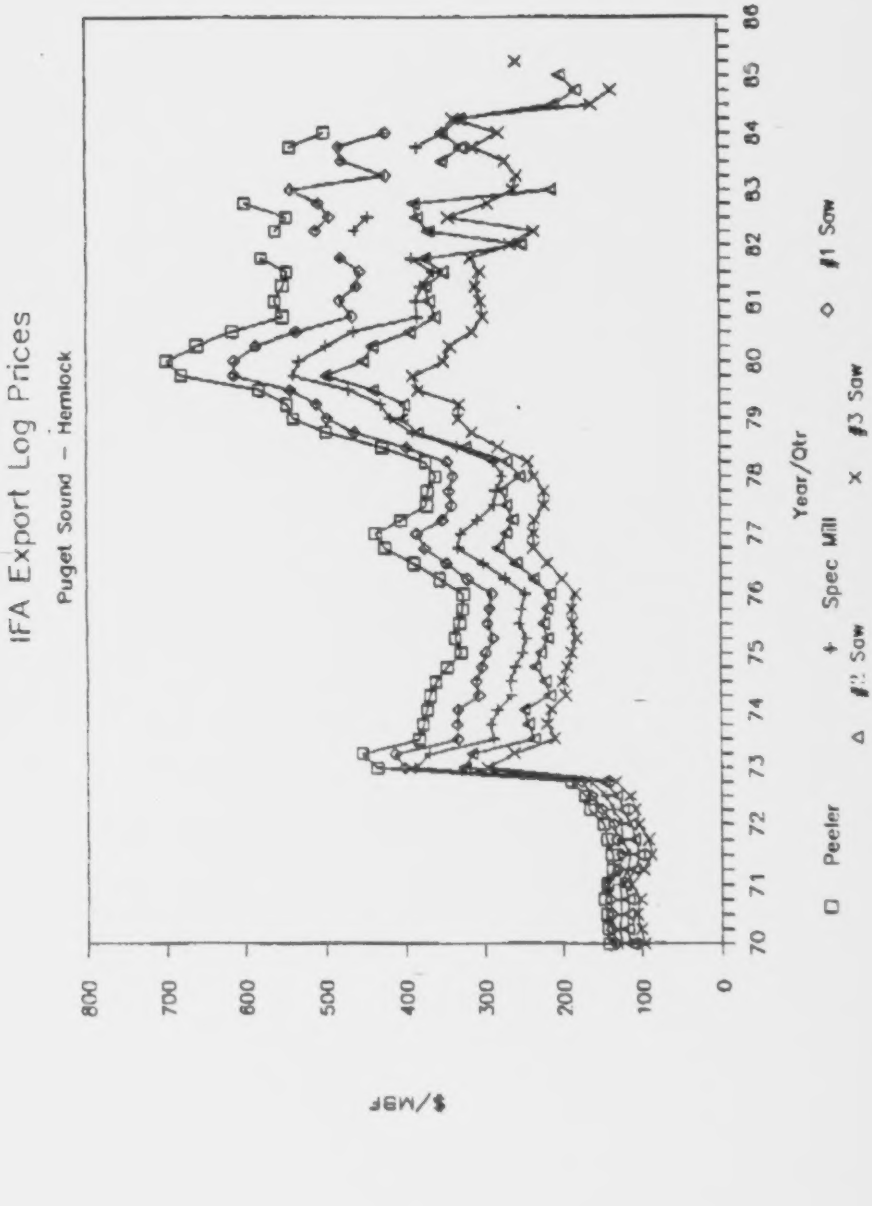
Region 10 Index Sale Data

Base Year	Update Qtr	Date Issued	All Spec Selling Value	Spruce Selling Value	Hemlock Selling Value	ATC Selling Value	Logging Cost w/o Spec Rds	Spec Roads	Total Logging Cost	All Spec Manufact Cost
72	---	4 - 74	217.88	195.33	227.18	210.08	66.06	12.75	76.79	115.51
73R	---	9 - 75	305.71	232.15	300.21	309.25	71.87	14.76	86.62	115.51
74	4Q75	5 - 76	373.54	342.45	302.05	450.84	95.13	15.80	111.93	180.89
74	1Q76	7 - 76	390.37	376.15	400.33	370.98	93.13	15.80	111.93	178.36
74	2Q76	10 - 76	387.15	377.30	408.83	361.98	100.01	16.44	116.45	153.93
75	4Q76	7 - 77	374.65	442.72	356.34	452.72	103.25	18.13	121.38	162.86
75	3Q77	12 - 77	361.36	461.84	347.46	602.38	104.85	18.35	122.90	170.80
75	---	6 - 78	400.80	466.82	303.11	606.28	108.38	19.28	124.66	184.84
77I	---	11 - 78	361.81	430.46	363.66	484.05	114.73	16.86	136.00	200.35
77	4Q78	4 - 79	419.38	540.51	374.85	721.88	148.48	26.27	173.75	235.50
78I	1Q79	5 - 79	468.55	660.06	359.38	768.34	130.50	23.65	162.34	256.45
78I	2Q79	9 - 79	498.36	646.07	441.71	632.06	141.06	24.17	165.63	260.77
78	3Q79	11 - 79	523.20	697.02	469.05	1450.12	147.01	31.50	178.51	270.07
78	4Q79	1 - 80	575.82	769.61	500.86	1740.23	148.26	30.05	182.33	277.31
79I	1Q80	7 - 80	584.90	790.91	512.24	1834.07	139.68	26.19	165.00	276.22
79	2Q80	10 - 80	582.02	792.56	515.28	1489.56	150.51	32.57	183.06	291.45
79	3Q80	1 - 81	584.35	763.38	535.06	1225.37	155.90	32.36	187.26	320.91
79	4Q80	3 - 81	553.41	867.00	511.16	1043.27	157.31	34.05	191.36	324.31
79	1Q81	7 - 81	601.35	667.47	510.82	862.01	160.71	34.78	195.49	329.93
79	2Q81	9 - 81	642.34	667.34	506.71	849.29	164.10	35.53	199.62	351.48
80	3Q81	2 - 82	543.02	631.73	517.17	876.57	176.65	37.00	213.65	316.39
80	4Q81	3 - 82	530.85	644.22	494.10	644.94	180.43	37.79	218.22	291.03
80	1Q82	6 - 82	538.00	627.71	490.50	874.96	177.45	37.17	214.62	290.00
81I	3Q82	1 - 83	429.00	564.77	473.54	703.21	189.42	36.81	222.23	311.00
81	4Q82	3 - 83	472.00	531.06	440.71	766.16	171.30	33.00	204.30	327.00
81/82I	1Q83	6 - 83	465.00	535.97	437.57	706.47	202.80	36.22	239.02	325.00
82	2Q83	9 - 83	473.70	570.86	440.05	600.65	130.60	29.01	164.51	296.90
82	3Q83	12 - 83	442.21	511.64	416.70	636.61	128.16	29.02	167.17	319.20
82	4Q83	4 - 84	416.23	482.30	360.21	690.37	136.29	29.05	167.34	287.64
83I	1Q84	7 - 84	398.55	481.87	381.07	710.07	140.47	24.99	165.46	333.41
83I	2Q84	10 - 84	415.64	515.20	377.22	710.87	140.47	24.99	165.46	337.37
83I	3Q84	12 - 84	417.36	517.30	383.20	618.88	137.70	25.34	163.04	298.33
83	3Q84	2 - 85	457.27	579.14	416.61	531.23	141.27	26.74	167.01	314.40
83	4Q84	3 - 85	452.42	564.03	413.91	582.26	139.36	23.34	162.70	347.04
84	1Q85	10 - 85	405.67	507.51	370.95	643.64	139.35	20.87	160.22	331.77
84	3Q85	12 - 85	380.32	460.73	344.01	488.04	139.35	20.87	160.22	310.62
84	1Q86	6 - 86	373.73	488.32	337.96	459.84	139.84	21.50	161.34	280.65
86	2Q86	1 - 87	379.71	479.26	346.25	522.43	137.31	21.13	158.44	288.71
86	3Q86	2 - 87	380.23	480.85	354.05	619.35	137.31	21.13	158.44	280.10
86	4Q86	3 - 87	390.06	501.52	382.24	749.75	137.31	21.13	158.44	284.59
86	1Q87	6 - 87	413.97	516.06	375.25	752.63	137.31	21.13	158.44	288.88
86	2Q87	8 - 87	435.62	573.16	419.69	601.03	137.31	21.13	158.44	302.89



IFA Export Log Prices

Puget Sound – Spruce


IFA Export Log Prices
Puget Sound – Hemlock
$/MBF
800
700
600
500
400
300
200
100
0
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
Year/Qtr
□ Peeler
+ Spec Mill
◇ #1 Saw
△ #2 Saw
× #3 Saw

Mr. FINNEY. Mr. Chairman, if I could at this time, I have a short statement from Mr. Gerry Engel, who is a resource manager for Chilkoot Lumber Company, who had planned to be here today.

We have his testimony in the record. But if I might, I would like to read just a brief summary of his testimony. I think it would be helpful.

Senator BUMPERS. Go ahead.

STATEMENT OF GERRY ENGEL, RESOURCE MANAGER, CHILKOOT LUMBER CO., AS PRESENTED BY DON FINNEY

Mr. FINNEY. My name is Gerry Engel and I am the Resource Manager for the Chilkoot Lumber Company.

Chilkoot Lumber Company is located in Haines, Alaska at the northern tip of the panhandle. It is a small business concern, reliant on the Tongass National Forest for its raw material supply.

More specifically, our timber comes from the small business set-aside program, which guarantees 80 million feet of competitive timber sales annually for independent operators in Southeast Alaska.

We have participated in this program since its inception in 1977, and continue to rely exclusively on the cooperative efforts of the Forest Service and the Small Business Administration to provide sufficient timber to make small operators like ours possible.

For this reason, the continuance of a harvest level in the Tongass capable of sustaining a variety of operators, including the independent sector, is a very crucial issue.

The roots of our company and our involvement in the timber industry in Alaska precede by many years the controversies that now surround the Tongass.

Prior to the opening of a new saw mill this month, in fact this week—and I am sure that is the reason that Mr. Engel was not able to be here, if you have ever seen a saw mill start up it needs everybody around to get it going—we operated the oldest, continuously-run saw mill in the State of Alaska.

The opportunity to raise the caliber of our operation presented itself this year. The combination of strong market demand, international trades stimuli, and the favorable exchange rates prompted us to undertake a substantial capital investment program, the result of which is a modern, efficient saw mill complex with the capability of producing finished products for both export and domestic markets, and electrical power for the community in which we live.

We have made a tremendous commitment to establishing a well-integrated forest products manufacturing facility capable of utilizing the timber resource the Tongass has to offer, right down to the sawdust, all in an environmentally-acceptable manner.

We presently have purchase commitments for all of the lumber products our mill will produce. The rebound from the worldwide recession of the early 1980s is at hand. In the forest products sector, export items are realizing sales price equal to or greater than at historic heights.

Now, perhaps more than ever, the timber sale program in Alaska will demonstrate the economic importance of this region. It is the sole responsibility of the industry to make all of the allowed cut what it will.

This can only come through increased utilization expansion of our market base, technological improvements in product manufacture, and increased operating efficiencies. These are precisely the things that we in the industry have been accomplishing in the past few years.

We are meeting the challenge. Our mills have been modernized. Our State and Federal leaders have gone abroad and instituted policies at home to stimulate trade and open new markets.

As companies, we have cut operating costs wherever possible in an effort to bring our products to world markets on a competitive footing with other producer nations, and we are succeeding.

Thus, my testimony boils down to a simple message. ANILCA should not be tampered with prematurely. The industry and the working people of southeast Alaska should not be forced to concede their livelihoods, while the resource goes unutilized.

Let us continue to work within the framework that ANILCA created and refine the Tongass Land Use Management Plan when we said we would, and in a manner that allows for all interests to be recognized. Thank you for permitting the opportunity to put that in the record.

[The prepared statement of Mr. Engel follows:]

TESTIMONY BEFORE THE
SENATE SUB-COMMITTEE ON PUBLIC LAND, NATIONAL PARKS & FORESTS

November 5, 1987

Mr. Chairman and Members of the Committee:

My name is Gerry Engel and I am the Resource Manager for Chilkoot Lumber Company.

Chilkoot Lumber Company, located in Haines, Alaska at the northern tip of the Panhandle is a small business concern reliant on the Tongass National Forest for its raw material supply. More specifically, our timber comes from the small business set-aside program which guarantees 80 MMBF of competitive timber sales annually for independent operators in S.E. Alaska. We have participated in this program since its inception in 1977 and continue to rely exclusively on the cooperative efforts of the Forest Service and the Small Business Administration to provide sufficient timber to make small operations like ours possible. For this reason the continuance of a harvest level on the Tongass capable of sustaining a variety of operators, including the independent sector, is a very crucial issue.

The roots of our company and our involvement in the timber industry in Alaska preceed by many years the controversies that now surround the Tongass. Prior to the opening of a new sawmill this month, in fact this week, we operated the oldest continuously run sawmill in the State of Alaska. The opportunity to raise the caliber of our operation presented itself this year. The combination of strong market demand, international trade stimuli, and favorable exchange rates prompted us to undertake a substantial capital investment program, the result of which is a modern, efficient sawmill complex with the capability of producing finished products for both export and domestic markets and electrical power for the community in which we live. We have made a tremendous commitment to establishing a well integrated forest products manufacturing facility capable of utilizing the timber resource the Tongass has to offer right down to the sawdust, all, in an environmentally acceptable manner.

Our efforts, which represent a substantial investment, are currently providing full time employment for 42 individuals at the plant and approximately 75 more in the woods. In 1988 these figures will increase to 95 employees in the mill and approximately 200 in the woods. The economic impact that we are having, even as a small business, is both major and positive in the communities of Haines and Petersburg where our operations are based. For example, in Haines, a town of 1200 people, this year the school enrollment was 42 students higher than projected. This increase netted the community an additional $96,000 in education funding. Our annual payroll, based on single shift operation will exceed $2,000,000 in the community of Haines. This amount will double when we go to two shifts after the first of the year. A like amount will be roughly split between the communities of Wrangell and Petersburg for our woods operations next year. All of these are new dollars to the local as well as the national economy, originating from export sales primarily to Pacific Rim trading partners.

We presently have purchase commitments for all of the lumber products our mill will produce. The rebound from the worldwide recession of the early 1980's is at hand. In the forest products sector, export items are realizing sales prices equal to or greater than historic highs. Now, perhaps more than ever, the timber sale program in Alaska will demonstrate the economic importance to this region.

Commitment, of the sort that our company has made to our community, our employees and to the utilization of a tremendous resource is not made idly. Business decisions, based on the promise and policy of government to provide a basic timber supply are the foundation of our capital investment effort. The establishment by the Forest Service of an annual allowable harvest, the mandate of the Small Business Administration to insure a reasonable allocation of the resource for independent operators, the encouragement of both State and Federal governments to pursue international trade and the right and privilege of individuals to gainful employment are elements of this decision as well. The original tenets of A.N.I.L.C.A. and T.L.M.P. addressed these aspects of the forest products industry in Alaska and developed solutions palatable to a wide cross-section of interested parties. To change or alter the direction and intent of either T.L.M.P. or A.N.I.L.C.A. at this point in time would not only be deleterious to the industry as it is emerging from a prolonged downswing in the market, but would also have the effect of negating or short-circuiting the planning process that brought them about. Without a doubt refinements can and will be made to T.L.M.P. and A.N.I.L.C.A., a scheduled revision is part of the original plan, to deviate from that schedule now, through contrary legislation that will harm more people than it will serve is totally unreasonable and inappropriate.

The current harvest level on the Tongass National Forest is neither a product of the biological growth potential of our forest land nor a reflection of the potential consumption of the existing industry. A wide variety of timber operations including large pulp companies, small and medium sized sawmills and contract logging companies of all sizes are forced to operate with a fixed volume of timber sale offerings. It is the sole responsibility of the industry to make of the allowed cut what it will. This can only come through increased utilization, expansion of our market base, technological improvements in product manufacture and increased operating efficiencies. These are precisely the things that we in the industry have been accomplishing in the past few years. We are meeting the challenge. Our mills have been modernized, our state and federal leaders have gone abroad and instituted policies at home to stimulate trade and open new markets. As companies, we have cut operating costs wherever possible in an effort to bring our products to world markets on a competitive footing with other producer nations. And, we are succeeding.

Thus my testimony boils down to a simple message. A.N.I.L.C.A. should not be tampered with prematurely. The industry and the working people of Southeast Alaska should not be forced to concede their livlihoods while the resource goes unutilized. Let us continue to work within the framework that A.N.I.L.C.A. created and refine T.L.U.M.P. when we said we would and in a manner that allows for all interests to be recognized.

Thank you for the opportunity to present this testimony. I request that it be entered into the official record on this matter.

Gerry Engel
CHILKOOT LUMBER COMPANY, INC.
Haines, Alaska

Senator **Bumpers**. Do you have a preference as to who goes next? I have a list here. If not, we will go back to Mr. Pihl.

STATEMENT OF MARTIN R. PIHL, GENERAL MANAGER, KETCHIKAN PULP CO., KETCHIKAN, AK

Mr. **Pihl**. Thank you, Mr. Chairman, and Members of the Committee, and staff. Thank you for this opportunity to testify.

My name is Martin Pihl. I am president and general manager of Ketchikan Pulp Company. I have been a resident in Ketchikan for 25½ years. I have some background as a CPA. I am a director of a national bank in Alaska.

I have been a member of a board of regents of a Northwest university 6 years. I have served on several Governor and State of Alaska boards and committees. I have friends in the fishing and tourist industry.

I point these out as I hope that I have a broader view of the overall economics in southeast Alaska.

I will try to summarize my submitted testimony. I would like to emphasize one part that is in the title of it, and that is the essential nature of the long-term timber sales as the foundation for the timber industry in southeast Alaska.

I would like to clarify for the record that Ketchikan Pulp Company is and always has been a domestic corporation. It always has, and we are owned by Louisiana Pacific, a major forest products company in the United States.

As employees of KPC, we are frankly very, very thankful that we have had the support and the strength of a major company behind us through the past very difficult years.

To get on, it was after many years of effort by Forest Service officials, on the part of the Government, and negotiations and competitive offering, that in 1951 Ketchikan Pulp Company entered into a 50-year industrial development timber sale contract.

This was the government's first success in finding a private party willing to invest huge sums of money in a pioneering venture to utilize and renew a portion of the climax forest through sustained yield forestry. This brought substantial year-round employment to southeast Alaska.

Previously, employment was quite and notably seasonal, and boom and bust cycles had been the rule. The commitment would assure that roads would be built and overmature timber stands would be harvested to allow vigorous second growth stands, to increase the productivity of the Tongass forest, which is the largest national forest in the United States.

To support the financing and construction of a pulp mill, Ketchikan Pulp was guaranteed 8.25 board-feet of economically operable timber over the initial 50 year term of its contract. The contract committed KPC to expansion and to development of integration and advanced economics and full utilization of the forest resource.

The mill was originally designed as a dissolving pulp producing mill. And frankly, that was so that the highest possible value could be generated in the harvest and utilization of the forest. Dissolving pulp is the highest grade of pulp produced and commands the highest price on the market over time.

We, however, also produce paper pulp, and we have made every effort to produce the purest form of cellulous and grade and specialty grades, and we have developed a customer base on that basis.

The preamble and general terms of KPC's long term contract are evidence and recognitions and also commitments by both the United States government and KPC which were essential in the pioneering. And that became a primary and the only year-round industrial base underpinning the economy of southeast Alaska.

I do not mean to say only, but it is certainly the major year-round industrial base, and very thankfully there are others growing.

The old growth climax forests of southeast which require clear-cutting and harvest contain a high percentage of overmature and decaying material, not good for saw grade, that must be pulped. Pulp grades run 40 to 50 percent of the volume of timber harvest.

I would like to direct your attention to the pie chart which is attached to my testimony. The pie chart shows you that the forest—the composition of the forest has components which are set forward there. The percentage—each part of the forest, the components, has its own set of economics.

The percentages are influenced by market conditions over time. You will note that 47 percent of our Tongass forest harvest today and projected for 1988 is pulp grade material. That is the current percentage.

I would like to emphasize that when TLUMP started that percentage was 35 percent. Again, that was in better markets. But the percentage has also increased.

I think that addresses one of the points Mr. Mehrkens made. The fact is that that percentage has increased and it has increased for us, and we are harvesting more pulp grade percentage.

The values—as I said, each component has its values, and you have to look at those components for what they are. And I like to compare the components to a mining operation that mines gold and silver and lead. The gold is of high value, the silver is lesser, and the lead is the pulp grade.

The pulp grade over time will not support average logging costs. You have to look at the overall economic equation. Now, it is for this reason that the early officials of the Forest Service knew it would take construction of pulp mills as a foundation for the development of the timber industry, and KPC's was the first of these long-term contracts.

Now, the need for pulp mills and the supporting long-term contracts is probably more essential today than ever before, for these reasons: The shrinking land base available for multiple use management due to wilderness withdrawals, reserved areas, and private Alaska native lands selections has forced harvest into lower quality areas.

Second, it is essential that there be an outlet for the pulp grade material from the private land harvest areas which began major logging in 1980.

Third, that the independent saw mill and logging operations throughout southeast also need outlets for both chips and pulp grade.

I would like to emphasize that pulp mills and the timber industry foster and represent jobs, year-round jobs. We at Ketchikan Pulp currently have 750 employees on our own payroll. When you count the contractors who work directly for us, we support direct employment of 1,200 today in the Greater Ketchikan-Metlekatla-Prince of Wales area of southeast Alaska.

Those numbers in and of themselves belie the other numbers you have been told about, 1,800 or 1,400. The number in total is far more than that today.

There is a period of history which should be explained and put behind us. Since the early seventies, Congress and the Forest Service have enacted laws and implemented regulations which dramatically increase the cost of operating in Alaska and on the 50-year contracts, as well as any other area.

The inordinate cost escalations on top of the most severe and lengthy down market cycle in the history of the timber industry brought years of losses and economic frustration to operators of the long-term sales.

For a number of years, this presented a probable case of breach of the long-term contracts. However, all of that should be put behind us. I am happy to say that, by cooperative efforts with the Forest Service and the State of Alaska during the last 3 years, we have reversed that. We have controled the upward spiral in logging costs. We have brought costs down by a significant amount.

This has been one of the key factors to the economic survival and turn-around.

Radical environmentalist forces that really pressure to shut down the entire industry in southeast Alaska by characterizing us as mining and as a sunset industry are just not true. We have continued to provide year-round jobs in roadbuilding, logging, and pulp and lumber manufacture for both domestic and broad export markets.

All our products don't merely go to Japan. While Japan is and always will be a very important customer for Alaska's exports, we do business in broad domestic and world markets. At KPC we ship 25 percent of our pulp to domestic customers and the balance is shipped to 16 countries worldwide, to every continent except Australia and Antarctica, and no country takes over 20 percent of that export pulp.

We make a very substantial contribution to the balance of payments that face our nation.

While round log exports devastated markets for our saw mill products from 1980 through 1986 and the inordinate environmentally-driven cost increases resulted in heavy operating losses for the same years, our operations have experienced a remarkable economic recovery that began in the second half of 1986 and has improved steadily quarter by quarter through 1987.

It was led by the pulp market, and we are now receiving significant increases in lumber. Our conversion costs are competitive with any pulp producer on the west coast or the United States.

We installed early in our recovery profit-sharing for our employees. On February 1 we installed a plan, of this year. We improved it on October 1.

We only ask that the original promise in exchange for our commitment to build a pulp mill and harvest the timber be honored by the Government. Congress on several occasions has affirmed that commitment to the industry in the long term contracts when it has looked at the whole picture, and we trust you will continue that.

If section 705 funding is repealed, it will impact the entire industry, but it will certainly be aggravated on the small business sector. We do not hope that on anyone. If funding is cut to the point where the Forest Service cannot meet its volume commitment to our contract of about 200 million board-feet per year, we will face a breach there, too.

That would mean layoffs of some 1,200 direct jobs and many service jobs. Our operations prime the economy of the area of Ketchikan-Metlakatla-Prince of Wales by about $5 million a month.

If there were a major change such as is being considered, what is more tragic is that the breach would destroy lives, families, and the communities in a way that money cannot remedy. As an Alaskan, I ask that you consider carefully the consequences of the actions being proposed to avoid such irreparable harm.

Come to Alaska. Talk to all the people. We have a sound, viable industry, and it will continue that way if managed wisely.

Thank you for this opportunity.

[The prepared statement of Mr. Pihl follows:]

TESTIMONY BEFORE PUBLIC LANDS SUBCOMMITTEE OF THE SENATE ENERGY AND NATURAL RESOURCES COMMITTEE

WASHINGTON D.C.

NOVEMBER 5, 1987

BY: MARTIN R. PIHL, GENERAL MANAGER
KETCHIKAN PULP COMPANY (KPC)

SUBJECT: GENERAL STATEMENT REGARDING KPC LONG TERM TIMBER SALE, OPERATIONS AND EMPLOYMENT; ESSENTIAL NATURE OF LONG TERM TIMBER SALES AS FOUNDATION FOR TIMBER INDUSTRY IN S.E. ALASKA.

After many years of effort by U.S. Forest Service officials on behalf of the U.S. Government and negotiations, in 1951 Ketchikan Pulp Company entered into a 50 year industrial development timber sale contract with the Chief of the Forest Service USDA. This represented the Governments first success in finding a private party willing to invest huge sums of money in a pioneering venture to utilize and renew a decaying forest through sustained yield forestry. This brought substantial year around employment to S. E. Alaska. Previously employment was seasonal and boom-bust cycles had been the rule. The commitment would assure that roads would be built and over mature timber stands would be harvested to allow vigorous second growth stands to increase the productivity of the Tongass Forest, the largest national forest in the United States of America.

To support the financing and construction of a pulp mill, Ketchikan Pulp Company was guaranteed 8 1/4 billion board feet of economic timber over the initial 50 year term of its contract. The contract committed KPC to expansion and development of integration and advanced economics in full utilization of the forest resource.

The preamble and general terms of KPC's Long Term Timber Sale are offered as evidence of recognitions and commitments by both the United States Government and KPC which were essential to the pioneering of a larger scale timber industry which has become a primary and the only year around industrial base underpinning the economy of Southeast Alaska. The old growth climax forests of S.E. Alaska, which require clearcutting in harvest, contain a high percentage of over mature and decaying material which is not saw grade and must be used for pulp. (Pulp grades run 40 to 50 percent of the volume of timber harvest). For this reason, early officials of the U.S. Forest Service knew it would take construction of pulp mills as a foundation for developing the timber industry with an assured year around economic base for S. E. Alaska. KPC entered the first of these long term contracts in 1951 and thus pioneered the growing timber industry in S. E. Alaska.

The need for pulp mills and supporting long term contracts is more essential today than ever before.

1) The shrinking land base available for multiple use forest management due to wilderness withdrawals, reserved areas and Alaska Native land selections has forced harvest to lower quality timber stands containing an even higher percentage of pulp grade material.

2) It is essential that there be an outlet for the pulp grade material from the native private land harvest areas on which logging began in 1980.

3) Independent sawmill and logging operations throughout S.E. Alaska need outlets for both chips and pulp grade material.

Finally, pulp mills and the timber industry foster and represent jobs - year around jobs for S.E. Alaska. Ketchikan Pulp Company has 750 employees and supports direct employment of 1,200 in the greater Ketchikan - Metlakatla - Prince of Wales area of S. E. Alaska.

Since the early 1970's, Congress and the Forest Service have enacted laws and implemented regulations which have dramatically increased the costs of operating in the 50 year contract sale area. Inordinate cost escalations on top of the most severe and lengthy down market cycle in the history of the timber industry have brought years of economic frustration to operators of the long term timber sales. For a number of years this has presented a probable case for breach of the long term contracts by the Forest Service. I am happy to say that cooperative efforts with the U. S. Forest Service and the State of Alaska during the last three years have reversed the uncontrolled upward spiral in logging cost and brought the delivered cost of raw materials for our mills down by a significant amount. This has been one of three key factors to restoring economic viability to our timber industry today.

In spite of the radical environmentalist forces pressing to shut down the timber industry in Southeast Alaska, by characterizing "logging" as "mining" and the timber industry as a "sunset" industry, KPC has continued to provide year around jobs in road building, logging and manufacturing pulp and lumber for both domestic and export markets. Environmentalist claims that our timber industry is subsidized and that all our timber products go to Japan are simply untrue. While Japan is, and always will be, a very important customer for Alaska's exports, we do business in broad domestic and world markets. At Ketchikan Pulp Company, we ship 25 percent of our pulp to domestic customers and the balance is shipped to sixteen countries world wide to every continent except Australia and Antarctica and no country takes over 20 percent of our export pulp. Japan is the dominant Pacific Rim customer for our solid wood products but Korea, China and Taiwan are growing customers.

While round log exports devastated the markets for our sawmill products from 1980 through 1986 and inordinate environmentally driven cost increases have resulted in heavy operating losses for the same years, our operations are experiencing a remarkable economic recovery which began in the second half of 1986 and has improved steadily quarter by quarter throughout 1987.

The owners, management and employees of KPC have had to sacrifice to make this possible. KPC only asks for what was originally promised to it in exchange for its commitment to build a pulp mill and harvest the timber. We simply ask that the United States meet the requirements of the 50 year contract and thus we ask that the United States provide us the economic timber necessary to operate our facilities in order to provide jobs to the people of Southeast Alaska and to allow KPC to exist on a permanently economic basis. Congress has on several occasions affirmed the commitment which supports the jobs of the timber industry in Southeast Alaska and we trust you will continue that commitment.

In the event that Section 705 funding is repealed, any shortfall in funds will impact the entire timber industry in Southeast Alaska but impact will be aggravated on the small business operators where continuity and adequacy of a timber supply is also important. Timber shortages and inadequate responsive funding will result in small businesses and independent loggers being forced out of business. If funding is cut to the point where the Forest Service cannot provide KPC with 200 million board feet of timber in any one year, the long term contract will be breached. A breach of those obligations will not only cause KPC damages for which our government will be liable; it will also mean the loss of some 1,200 direct jobs and many service industry jobs, and cause a great loss to all owners of property and business in the Ketchikan, Metlakatla and Prince of Wales Island areas which are economically dependent on our industry.

It is unfortunate that the promises to KPC would be broken, but they can be reimbursed with money. It is tragic that such a breach would destroy lives, families and communities in a way money cannot remedy. As an Alaskan, I ask that you consider carefully the consequences of the action being proposed to avoid the irreparable harm which will surely result.

Thank you.

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
TIMBER SALE AGREEMENT

SALES, R-10 Tongass
Ketchikan Pulp & Paper Co.,7/26/51
Contract No. A10fs-1042

(As Modified June 6, 1956, February 9, 1957, June 19, 1964, October 1, 1975, November 8, 1976, February 23, 1978, September 15, 1979, August 8, 1980, March 1, 1984, ** and January 16, 1987 **).

General Terms

The parties entering into this agreement pursuant to the Act of June 4, 1897 (30 Stat. 35) as amended, and the Act of August 8, 1947 (Public 385, 80th Congress, 1st Session) are acting under the following conditions and considerations: (1) the Forest Service, acting in behalf of the United States of America, is deeply interested in encouraging and bringing about the industrial development of Alaska; (2) the Purchaser proposes to establish a new enterprise for the utilization of forest products, including a pulp mill, and the development of water supply with associated facilities within the boundaries of Pulptimber Allotments E, F, and G, Tongass National Forest in southeast Alaska; (3) both parties recognize that this pioneering undertaking, involving a substantial long-term investment by the Purchaser, will be accompanied by unusual risks due to many unknown conditions that may be encountered at the isolated site and during operations, great distance from markets, present day costs of establishing the necessary facilities; (4) the Chief, Forest Service, having due regard to the interests of the United States and for the protection of the natural resources of Alaska, wishes to facilitate the establishment of such new industry by the Purchaser and the operation of the industry on a commercially sound and permanently economical basis; (5) it is the policy and intention of the Forest Service through sustained yield management of the Tongass National Forest, to afford an opportunity to purchase supplies of timber for permanent operation of such enterprise as is established in accordance with the terms of this agreement for the utilization of the timber embraced in this agreement.

NOW THEREFORE, it is agreed as follows:

That the contract of July 26, 1951 is a sale of the timber located within the area shown upon the maps attached to said contract, and by reference made a part thereof, without regard to the quantity of timber thereon except that said contract provides that if the timber available for cutting within said area is insufficient for full scale operation until June 30, 2004 of the

Purchaser's pulp plants referred to in Section 1(h) of said contract at the capacities contemplated in Section 1(h) of said contract, additional timber will be allotted by the Forest Service from pulp timber allotments (E), (F), and (G) of the Tongass National Forest to meet such needs of such plants for the period ending June 30, 2004, provided that the Forest Service is not obligated to make available for cutting from such additional allotments more timber than a total of 1,500,000,000 cubic feet of material available for cutting from all areas, all as set forth in said contract, said contract being subject to all other conditions and reservations stated therein.

That for the purpose of determining the stumpage payments to be made under the contract, and determining if the total quantity of timber within the area shown on said maps equals at least 1,500,000,000 cubic feet, and for all other contract purposes, all reference to cubic feet in said contract shall be converted into board feet at the ratio of 5.5 board feet for each cubic foot.

Section 2(a), 2(f), and 5(a) of the original agreement shall be modified; Section 6 of said original agreement shall be modified; Sections 6(a), 6(b), 6(c), 6(d), 6(e), 6(f), 6(g), and 6(h) shall be added thereto; and Section 7 shall be modified, all as hereinafter set forth.

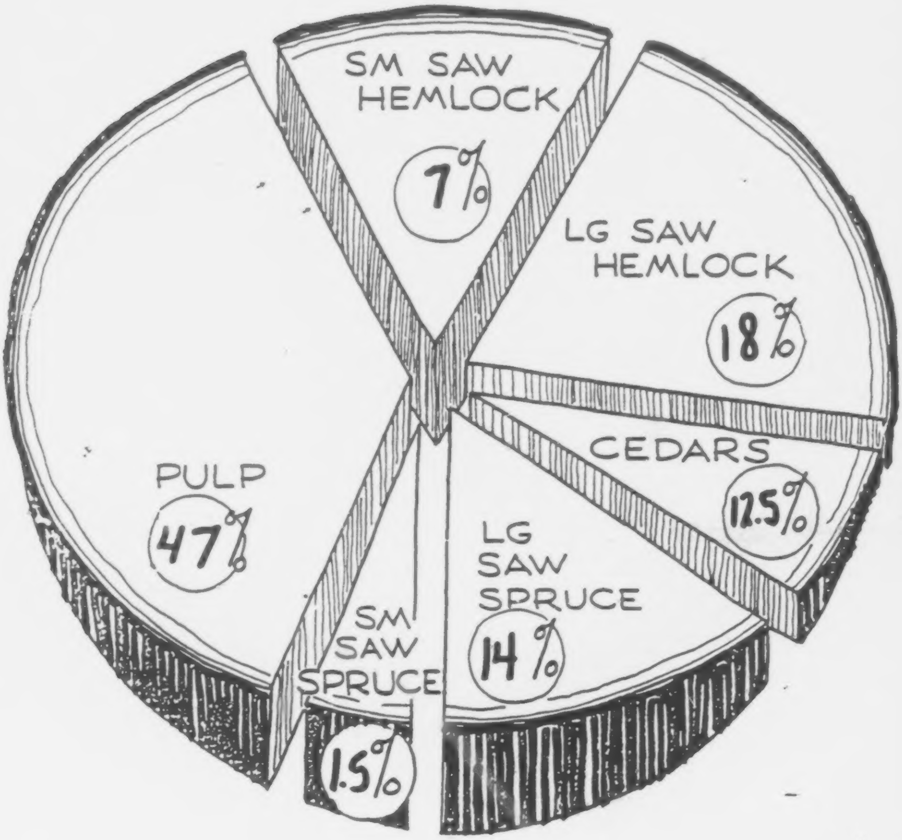
Should any clause or provision of this Modification of Agreement be adjudicated void by any court of final resort, such decision shall not be deemed to affect the validity of the Timber Sale Agreement of July 26, 1951, and said agreement shall remain in full force and effect.

We further agree that if this application is approved, a certain bond executed by us as principal on the 26th day of July 1951, and approved by the Acting Chief, Forest Service, on the 20th day of August 1951, which was given to the United States of America to insure faithful compliance with the terms of the aforesaid agreement, shall bind us and our heirs, executors, administrators, successors, and assigns in the same manner as if said modification has been included in the original agreement, to insure compliance with which said bond was given.

Except as modified hereby, all other provisions of the contract of July 26, 1951, shall remain in full force and effect.

KETCHIKAN PULP COMPANY

ECONOMIC COMPONENTS OF TONGASS NATIONAL FOREST HARVEST



10/87

Senator **Bumpers**. Thank you very much.

Mr. Clark.

Mr. **Clark**. Would it be all right if Mr. Rey from the National Forest Products Service Association went first?

Senator **Bumpers**. It sure would.

STATEMENT OF MARK REY, VICE PRESIDENT, PUBLIC FORESTRY PROGRAMS, ON BEHALF OF THE NATIONAL FOREST PRODUCTS ASSOCIATION

Mr. **Rey**. My role on this panel, Mr. Chairman, is to review the current economic state of our industry, including the industry in Alaska, and also to provide our outlook for the future.

I would note in that respect that the rumors of our death have been greatly exaggerated, because today demand for wood products is very high. American consumers purchased a record 43 billion board-feet of softwood lumber products in 1984, broke that record in 1985 by purchasing 44 billion feet, and broke it again in 1986 by purchasing 47 billion feet.

When we close the books on 1987, we predict that softwood lumber consumption will pass the 50-billion-foot mark. Plywood and panel production have also reached record levels, and finally, the export market has increased substantially in 1986, with softwood lumber exports rising 22 percent and structural panel exports rising 80 percent.

Moreover, during the first eight months of 1987, export markets grew even further.

The five years between 1985 and 1990 may represent the highest demand for lumber in U.S. history, for three reasons: first, last year's revision of the federal tax code made single family housing a preferential investment, and new single family construction is the largest market for wood products.

Second, the market for housing additions and repairs is also booming.

And finally and most importantly for Alaska, we expect the export of wood products will have doubled between 1985 and the end of the decade. Even the uncertainty associated with the recent fluctuations in the stock market should not seriously disrupt the currently strong wood products market.

Pessimistic analysts are still predicting lumber consumption levels in 1988 that will hit 43 to 45 billion feet of consumption or roughly equivalent to 1985 levels, with a lower percentage of Canadian imports and, most importantly, higher exports of U.S. wood products.

We may not see a fifth lumber consumption record, but nonetheless 1988 will be a solid year.

The strong demand for wood products has translated into a strong demand for national forest timber, both in Alaska and elsewhere. Harvest of national forest timber in 1986 reached the highest level recorded since 1973. Harvest activity has already been stronger thus far in 1987. The Forest Service now projects that the 1987 harvest will exceed 12 billion feet.

The result of this growing demand for Forest Service timber has been increased purchase prices. From October 1986 to June 1987, Forest Service stumpage prices increased 10.2 percent. Prices have risen further since June and have increased in some regions of the country, particularly Alaska, more dramatically than others.

In fact, from April 1986 to June 1987, the average price of sold timber in Alaska increased 295 percent.

Like the balance of the timber industry, forest products manufacturers in Alaska suffered through the recession of the early 1980's. As some of the panelists have already indicated, efforts were made to reduce costs and increase productivity in the very competitive world market.

With the rising world demand for wood products, the Alaskan industry has finally recovered from the recession of the early 1980's. The composite price index for all species has increased from $370 per thousand board-feet in the second quarter of 1986 to $455 per thousand in the second quarter of 1987.

Under present circumstances, $71 of this $85 increase in value of the finished product goes to an increase in stumpage prices.

Dr. Newport has described many of the reasons for these increases. But the bottom line in this recovery trend is that many of the Forest Service sales that were marginal or unprofitable during the early 1980's are turning a profit today.

And two points about this recovery warrant discussion as it pertains to Alaska: First, the nature of the industry, including the industry in Alaska, is such, as many of the panel members have indicated, that we experience relatively sharp market cycles.

When ANILCA was passed in 1980, we were at the top of a market cycle, on the verge of a recession that was surprising in its suddenness, length, and severity. Since the second quarter of 1986, we have been experiencing a wood products market in Alaska similar to that which existed when ANILCA was passed.

In constructing section 705, this committee evinced an understanding of the cyclical nature of the wood products industry from the standpoint of evaluating the effectiveness of section 705. However, we have data from only one-half of the cycle, and that from the most extreme oscillation on record.

A second observation I might make is that, while 1988 is projected as a good year for the wood products business, as I already indicated, we predict it to be yet another record year for exports. And since virtually all of Alaska's production goes to the export market, it is reasonable to project that the wood products industry in Alaska may do better than the rest of the industry nationwide in 1988.

In closing, I would like to briefly reflect on the debate surrounding the management of the Tongass National Forest. I think with the advent of revisions to the Tongass land use management plan, we are now seeing new proposals already emerging for additional wilderness designations.

This makes me wonder whether both sides of this debate on the implementation of section 705 are not really seeking a broader review of ANILCA after all. Certainly the representations about what S. 708 would do by the various witnesses that you have had over the last two days would give credence to that supposition.

I think at the present time, however, many of the assertions of the failure of section 705 use a limited and favorable data set to make a case, a data set that is rapidly eroding in the face of improved product markets. Therefore, we urge the subcommittee to direct the Forest Service to expedite the completion of the draft Tongass land use management plan and then to continue its oversight of the development of the plan as the basis for continuing the congressional inquiry to whether ANILCA is working.

I appreciate the opportunity to testify and would be happy to respond to questions.

[The prepared statement of Mr. Rey follows:]

STATEMENT FOR THE RECORD

OF

MARK REY
VICE PRESIDENT
PUBLIC FORESTRY PROGRAMS

ON BEHALF OF

THE

NATIONAL FOREST PRODUCTS ASSOCIATION

BEFORE THE

SUBCOMMITTEE ON PUBLIC LANDS,
RESERVED WATER AND RESOURCE CONSERVATION

COMMITTEE ON ENERGY AND NATURAL RESOURCES

OF THE

UNITED STATES SENATE

NOVEMBER 5, 1987

I. INTRODUCTION AND OVERVIEW

Good afternoon. My name is Mark Rey. I am Vice President for Public Forestry Programs of the National Forest Products Association. I appreciate the opportunity to testify today.

The National Forest Products Association is a national industry trade association that represents the interests and views of owners and managers of forest lands, manufacturers of forest products, and affiliated regional and product associations. The NFPA membership includes over 750 direct and associated company members, and over 65 association and allied members. Many members of NFPA are partially or wholly dependent on the national forests, including the Tongass National Forest, as a source of supply for raw materials.

The wood products industry is the oldest manufacturing industry in the United States. Today, over 700,00 people are directly employed in the manufacture of forest products. Last year, the industry had sales estimated at $58 billion and a payroll estimated at $11 billion. When considered with pulp and paper, the forest-based industries are the most important manufacturing industries in a dozen states, and among the major employers in another dozen. In Alaska, for example, the Commerce Department's Annual Survey of Manufacturers lists the forest industry as the state's second most important manufacturing industry in terms of number of employees, and third most important in value of shipments.

My role on this panel is to review the current state of our industry, including the industry in Alaska. I will also provide you with our outlook for the future. Finally, I would like to offer this statement as a means of addressing the often-repeated assertion that the timber industry -- certainly in Alaska, if not everywhere -- is a sunset industry. I would summarize, as did

Mark Twain, that "the rumors of our death have been greatly exaggerated."

II. BECAUSE THE DEMAND FOR WOOD PRODUCTS IS STRONG, DEMAND FOR NATIONAL FOREST TIMBER IS STRONG.

The demand for wood products is currently running at record levels and will continue to be strong for the foreseeable future. Demand for timber from the National Forests, therefore, will also continue to be strong.

A. The Demand for Wood Products is Strong.

Mr. Chairman, I am pleased to report that the timber industry is finally recovering from the devastating recession of the early 1980's. High interest rates, the poor housing market, and increasing imports from Canada made the period between 1981 and 1983 the worst time for business the industry had seen since the Great Depression.

Today, however, demand for wood products is very high. Figure 1 (attached at the conclusion of this statement) shows that American consumers purchased a record 43 billion board feet (BBF) of softwood lumber products in 1984, broke that record in 1985 by purchasing 44 BBF, and broke it again in 1986 by purchasing 47 BBF. Our current projection is that 1987 will se yet another record. When we close the books on 1987 we now predict that softwood lumber consumption will pass the 50 BBF mark.

In 1986, plywood and panel production also reached record levels at over 25 billion square feet (BSQF), and will reach 27 BSQF this year. The export market, while not nearly as large as we would like it to be, still increased substantially in 1986. Softwood lumber exports rose 22 percent; structural panel exports were up 80 percent. During the first 8 months of 1987, exports were up yet again (lumber up by 26%; plywood up by 39%).

The good news for the consumer is that, while demand is strong, prices have remained relatively low because of the competitive structure of the industry. As I will explain later in this statement, over $5 billion in investments made between 1980 and 1985 have resulted in increased efficiency and relatively stable product prices in spite of rising consumption. Investments continue today, to both increase productivity as well as add value to manufactured products. My colleagues on this panel will discuss some examples of the latter at their mills in Alaska.

B. The Forecast For the Future is Optimistic.

We believe that the five years between 1985 and 1990 may represent the highest demand for timber in U.S. history. There are three reasons for our optimism.

First, as Figure 2 shows, housing starts are forecast to remain at a healthy level of 1.7 million units or higher through the early 1990s. Last year's revision of the federal tax code made single family housing a preferential investment, and new single family construction is the largest market for wood products.

Second, the market for housing additions and repairs is also booming. Figure 3 provides a graphic illustration of the rise in this market.

Third, and finally, we expect exports of wood products will have doubled between 1985 and the end of the decade. Currently, wood product exports account for $3 billion. Cooperative efforts between the federal government and the timber industry have helped to reduce some trade barriers -- especially among the Pacific Rim nations -- and to develop new markets. By 1990, we estimate that the export market will account for almost 10 percent of the total American production of wood products. In this respect, it is worth noting that Alaska's production is almost entirely directed to the export market. Moreover, our success in increasing export production is direct evidence of our efficiency and competitiveness in the world market against producers in other countries.

Even the uncertainty associated with the recent fluctuations in the stock market should not seriously disrupt the currently strong wood products market. Pessimistic analysts are still predicting national lumber consumption levels in 1988 that will hit 43-45 BBF (or 1985 levels) with a lower percentage of Canadian imports, and higher exports of U.S. wood products. We may not set a fifth consecutive lumber consumption record, but 1988 will, nonetheless, be a solid year.

C. Harvest of National Forest Timber is Strong and Increasing.

The strong demand for wood products has translated into a strong demand for National Forest timber. Reflecting the weak product market during the recession, harvest of National Forest timber fell to a record low of 6.7 BBF in 1982. The strong market today has turned this situation around. Figure 4 shows that harvest of National Forest timber reached 10.9 BBF in 1985 and 11.8 BBF in 1986. Demand in 1986 reached the highest level recorded since 1973, and was 75 percent greater than the volume harvested in 1982. Harvest activity was strong in all regions of the country.

Harvest activity has been even stronger in 1987. The Forest Service now projects that the 1987 harvest will exceed 12.0 BBF. But for the curtailment of logging operations in California, Oregon, and Washington due to the fire situation of the past month, national forest harvests would likely have exceeded 12.5 BBF.

In most regions, in fact, the volume of timber harvested in 1986 exceeded the volume of timber sold. This fact, along with the provisions of the Federal Timber Contract Payment Modification Act of 1984, has contributed to the dramatic decline in the volume of uncut timber under contract. (See Figure 5.) Nationally, the volume under contract represents only slightly more than two years worth of harvest. But, this is only an average; the actual volumes under contract for some areas and for some purchasers are much less. We believe that most of the problems associated with having a large uncut volume under contract are behind us. Moreover, in many places we are beginning to experience just the opposite problem -- not enough volume is under contract to provide the supply certainty necessary for prudent investment decisions.

The result of this growing utilization of, and demand for, Forest Service timber has been increased stumpage prices paid to the Forest Service. From October 1986 to June 1987, Forest Service stumpage prices have increased 10.2%. Prices have risen further since June, and have increased in some regions of the country -- particularly Alaska -- more dramatically than others. In fact, from April 1986 to June 1987, the average price of sold timber in Alaska increased 295%.

III. THE ALASKA TIMBER INDUSTRY, THE ALASKA ECONOMY, AND THE FOREST SERVICE IN ALASKA ARE SHARING IN THIS NEW PROSPERITY

Like the balance of the timber industry, forest products manufacturers in Alaska suffered through the recession of the early 1980's. Efforts were made to reduce costs and increase productivity in a very competitive world market, since the industry in Alaska looks to the export market for most of its business.

With the rising national and world demand for wood products, the Alaska industry has finally recovered from the recession of the early 1980's. The composite spruce price index has risen from $479/MBF in the second quarter of 1986 to $573/MBF in the second quarter of 1987. Moreover, spruce prices are still rising.

Similarly, the composite hemlock price index has risen from $346/MBF in the second quarter of 1986 to $420/MBF in the second quarter of 1987. Here again, prices are still increasing.

Finally, the composite price index for all species has increased from $370/MBF in the second quarter of 1986 to $455/MBF in the second quarter of 1987. Under present circumstances, $71 of the $85 increase in the value of the finished product goes to an increase in stumpage prices.

These increases are a reflection of strengthening of markets in Japan, Korea, and China, as well as the recent decline in the relative value of the U.S. dollar. Moreover, prices for dissolving pulp on the world markets which are served by the two Alaska pulp mills have improved considerably.

The bottom-line of this recovery trend is that many of the Forest Service sales that were marginal or unprofitable during the early 1980's are turning a handsome profit today. To our way of thinking, this is good news for everyone. Two additional points about this recovery warrant discussion.

First, the nature of the forest industry, including the industry in Alaska, is such that we experience relatively sharp market cycles. In Alaska, 1978-1980 were high market years following a recession in the mid-1970's. When the Alaska National Interest Lands Conservation Act passed in 1980, we were at the top of a market cycle on the verge of a recession that was surprising in its suddenness, length, and severity. Since the second quarter of 1986, we have been starting to experience a wood products market in Alaska similar to that which existed when ANILCA was passed.

In constructing Section 705, this Committee evinced an understanding of the cyclical nature of the wood products industry. That is fortunate since the market rather promptly fell to its longest-ever sustained, depressed state. From the standpoint of evaluating the effectiveness of ANILCA, however, we have data from only one half of the cycle -- and that from the most extreme oscillation on record.

Second, while 1988 is projected as only a good year for the wood products business, it is predicted to be yet another record year for exports. Since virtually all of Alaska's production goes to the export market, it is reasonable to assume that the wood products industry in Alaska may do better than the rest of the industry nationwide.

IV. A STRONG NATIONAL FOREST TIMBER SALE PROGRAM IS NEEDED TO MEET CONSUMER DEMAND

A. The National Forests Contain a Large Share of the Softwood Sawtimber Inventory.

America's extensive forest resources have played an important part in the settlement of this country and in fostering and sustaining economic growth. Since the end of World War II, timber from the National Forests has become increasingly more important in meeting consumer demands for wood products, and it is fair to say that National Forest timber will continue to play a critical role in meeting these demands over the next few decades. A quick look at a few simple statistics will explain why the National Forests must provide a reasonable, dependable, and stable supply of timber in order to meet consumer demand for wood products.

Today, there are over 488 million acres of commercial forest land in the United States. While this is less total forest acreage than the Soviet Union or Canada, our forests are more productive. Figure 6 shows where the existing softwood sawtimber inventory is located. As you can see, the national forests contain almost half of the softwood sawtimber available for harvest. Aside from the native corporations, they contain virtually all of Alaska's softwood sawtimber inventory.

As shown in Figure 6, most of the timberland in this country -- almost 58 percent -- is owned by private, non-industrial landowners. The Forest Service manages 18 percent of the commercial forest land base, the timber industry owns 14 percent, and other governments manage 10 percent.

The origin of the annual softwood sawtimber harvest is quite different from the acreage and inventory statistics. Figure 6 shows that industry-owned lands provided about 37 percent of the raw material harvested, private non-industrial lands 30 percent, and 23 percent of the raw material has come from the National Forests.

In short, the National Forests contain almost 50 percent of the softwood, sawtimber inventory, but provide less than one-quarter of the volume harvested. The historical imbalance between inventory and harvest is rapidly coming to an end. In the future, the National Forests can and must play an increasingly important role in helping the timber industry meet consumer demand.

B. Many Mills and Communities are Substantially Dependent on National Forest Timber.

As you know, most National Forest timber is concentrated in the eleven Western states, including Alaska. In these states, National Forest timber accounts for between 40 and 60 percent of the total volume of timber harvested each year. According to a preliminary draft Forest Service study[1], communities surrounding 47 of the western National Forests depend on those forests for over 50 percent of their timber supply. Communities surrounding another 34 Forests rely on those Forests for between 25 and 49 percent of their timber needs.

In Alaska, all Forest Service timber is processed in dependent communities. Timber from the native corporation holdings has so far been exported as round logs. The Forest Service study identifies 12 dependent communities that would be substantially harmed by a reduction in the Tongass timber sales program.

C. In Many Areas, Timber from the National Forests Is in Short Supply.

As I mentioned earlier, in many western states, National Forest timber is the critical factor in determining whether a mill can make enough profit to stay in business. The timber industry is a competitive industry. Competition is strong not only in the product market, but in the raw material market as well. If there is not enough timber available, then each operator will bid away their profit margin in an attempt to secure enough timber to continue operating the mill. Some may view this as beneficial to the government, because in the short term, it increases the price bid for the timber. In the long run, however, it means that fewer mills will survive. Ultimately, competition -- and the benefit it brings to our economy -- could be reduced greatly.

Establishing a balance between providing enough timber to avoid an artificial shortage, and offering so much that the government is no longer benefitting from competition is not difficult. I think it is safe to say that we are currently much closer to the former, rather than the latter, situation.

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[1] Data Summary of Contribution of National Forest Timber to Community Employment. USDA-Forest Service, Draft dated Feb. 1986.

You may have heard that purchasers on the Tongass have available a "backlog" of volume either ready to use or under contract. This assertion is misleading since it uses a heretofore undefined term to conjure a vision of timber sitting on the shelf, ready to sell, with road access already provided. No such volume presently exists.

Moreover, the Forest Service currently considers volume available if it is under contract under either a short-term or long-term sale. This approach overlooks the fact that some of the current volume in short-term contracts is tied up in bankruptcy proceedings. Moreover, some of the volume counted in the long-term contracts is either: (1) tied up in environmental litigation; or (2) requires additional funding. In fact, we are experiencing a significant shortage of available timber in the Ketchikan area.

V. NATIONAL FOREST TIMBER IS CRITICAL TO MAINTAINING A HEALTHY WOOD PRODUCTS INDUSTRY, AND A HEALTHY INDUSTRY IS AN IMPORTANT ELEMENT IN A WINNING ECONOMIC STRATEGY.

A. Manufacturing Matters -- the Concept of a "Post-Industrial" Economy is a Myth.

The prevailing wisdom among some of America's economic and political soothsayers is that we have entered a "post-industrial" age, a time when the engines of our economy will be fueled by service-based and high tech industries. These "experts" are peddling a soothing message about how erosion of the U.S. manufacturing base is neither surprising nor bad. Certainly, this message is inherent in much of what the Subcommittee has heard about the relative importance of the Alaska timber industry compared to other economic pursuits that do or might take place in southeast Alaska.

Well, I for one do not buy those arguments, and I urge the members of this Subcommittee and your colleagues throughout the Congress to reject the myth of a "post-industrial economy."

Agriculture and manufacturing will always be critical elements of a winning economic strategy. The United States cannot remain an economic superpower if we concentrate exclusively on service and high tech tasks and concede production to other nations. The fact of the matter is that many -- if not most -- high technology and service jobs are directly linked to manufacturing and agriculture. The concept of such "linkages" is not new, but the extent to which these connections permeate our economy is not widely known.

Sawmill equipment technology presents an example of such "linkages." Improvement in lumber production efficiency was the driving force behind the application of laser technology and complex computer control systems to lumber milling equipment. Installation and maintenance of this advanced equipment requires highly trained support personnel. The concept of linkages is not new, but the extent to which these connections permeate our economy is not widely known.

I ask your indulgence while I quote a few paragraphs from an article in the most recent addition of Technology Review, which is published by the Massachusetts Institute of Technology. In the article entitled: "The Myth of a Post-Industrial Economy," Stephen Cohen and John Zysman reach the following conclusions:

> "Sometimes new notions capture the public fancy, resonate to some element of our experience, and color the way we see the world. The concept of a "post-industrial" society is such a notion. But it also obscures the precise nature of the changes in the U.S. economy and what they mean.
>
> "Things have changed: production workers go home cleaner; more and more workers leave offices rather

> than assembly lines. And the organization of society has changed along with the technologies of product and production.
>
> "But the relationship of changes in technology and society to changes in the fundamentals of economics -- the process of creating wealth -- is less clear. There is not yet, nor is there likely to be in the near future, a post-industrial economy. The division of labor has become infinitely more elaborate and the production process far less direct -- involving ever more specialized services as well as goods and materials located far from the traditional source of production. However, the key generator of wealth for this vastly expanded division of labor remains production. The United States is not shifting out of industry into services but from one kind of industrial economy to another.
>
> "Insisting that a shift to services or high technology is 'natural' is irresponsible analysis and perverse policy. . . "[2]

Mr. Chairman, most people accept the idea that the federal government can and should encourage the private sector to create new economic opportunities and more and better jobs. Indeed, this is one of the dual assumptions (along with the desire to maximize wilderness set-asides) that drives the implementation of Section 705 of ANILCA. The decisions reached by the members of this Subcommittee and your counterparts in the House will have a profound effect on the ability of the forest products industry to meet those objectives, not only in southeast Alaska, but nationwide.

America has the best softwood forests in the world and the most advanced technology to turn these resources into valuable products. In western states like California, the forest products industry is limited only by supply constraints imposed by the federal government.

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[2] Cohen, Stephen S. and Zysman, John, "The Myth of a Post-Industrial Economy," Technology Review, February/March 1987, p. 62.

I am a strong believer that our National Forest lands must be managed under principles of multiple-use and sustained yield. However, I also believe that our policy makers must adopt a new philosophy. Instead of abandoning manufacturing, we should encourage companies to convert low-productivity, low-wage, low-skill manufacturing plants into high-tech, high-wage, high-skill facilities. Many forest products companies, including my colleagues on this panel, have already embarked on such conversions, but this transition has been appreciably slowed by uncertainty over the reliability of the Forest Service's harvest levels on the Tongass National Forest.

B. The Timber Industry is a Productive and Competitive Component of the U.S. Economy, but this Productivity and Competition is Tied to an Adequate Supply of Raw Materials.

The forest products industry is one of the most competitive and productive sectors of the American economy. Unlike many other manufacturing industries, production is not concentrated among a handful of companies. The solid wood products industry consists of more than 3,000 separate companies competing directly with each other. In 1986 the top ten operators accounted for only 30 percent of total production, and the top 100 companies accounted for only 60 percent of the total. Compare this to the automobile industry where three companies manufacture virtually all of the domestic production.

As a result of the competitive structure of the industry, there is stiff competition both for raw materials and for a share of the finished product market. This competition produces innovation which, in turn, enhances productivity.

Between 1978 and 1985, for example, American manufacturers increased productivity by an annual average of 2.7 percent. However, the wood products industry increased productivity by 4.7 percent annually during the same period, almost double the national average. Productivity improvement in 1986 was an amazing 11% in the sawmilling industry compared to 3.5% for all manufacturing. The industry continues to make investments to remain competitive and efficient, even now, when the demand for our products is still increasing. As a consequence, the capacity of the wood products industry is 20 percent greater today than it was in 1980.

Mr. Chairman, as important as factories are to the nation, the real strength of the American forest products industry is our expansive stands of softwood sawtimber, especially the timber resources within the National Forest System. The certainty that the National Forests will provide a perpetual supply of timber encourages the private sector to develop not only more sophisticated and efficient conversion processes, but also new and different wood products.

VI. SUMMARY

Having described the market for wood products which we are now enjoying, and emphasized the importance of a reliable supply of National Forest timber to meet market demand and keep our industry competitive, I would like to reflect on the public debate surrounding the management of the Tongass National Forest. It is tempting to look at the Tongass as a unique situation or a special circumstance. However, I look at it as the forerunner of debate on, or testing ground for, issues that will be discussed elsewhere. The Tongass had the first national forest plan, with the passage of ANILCA the first state RARE II bill, and will shortly have the first revision to a national forest plan.

With the advent of the revisions to the Tongass Land Use Management Plan, we are seeing new proposals already emerging for additional wilderness designations. In addition to generating a sense of weary inevitability, this makes me wonder whether both sides of the debate on the implementation of Section 705 are not really seeking a broader review of ANILCA after all. If this is the case, then these hearings on Section 705 are timely, but should be followed by additional oversight at the time that work on the draft Tongass Land Use Management is commenced next year. If necessary, the Agency should be directed to expedite this schedule. At that time, all the issues will be on the table.

In closing, the forest products industry commends the Subcommittee for holding these hearings. We do not believe that any compromise is so sacrosanct that it cannot be reevaluated. Facts change and expectations about the future do not always prove out.

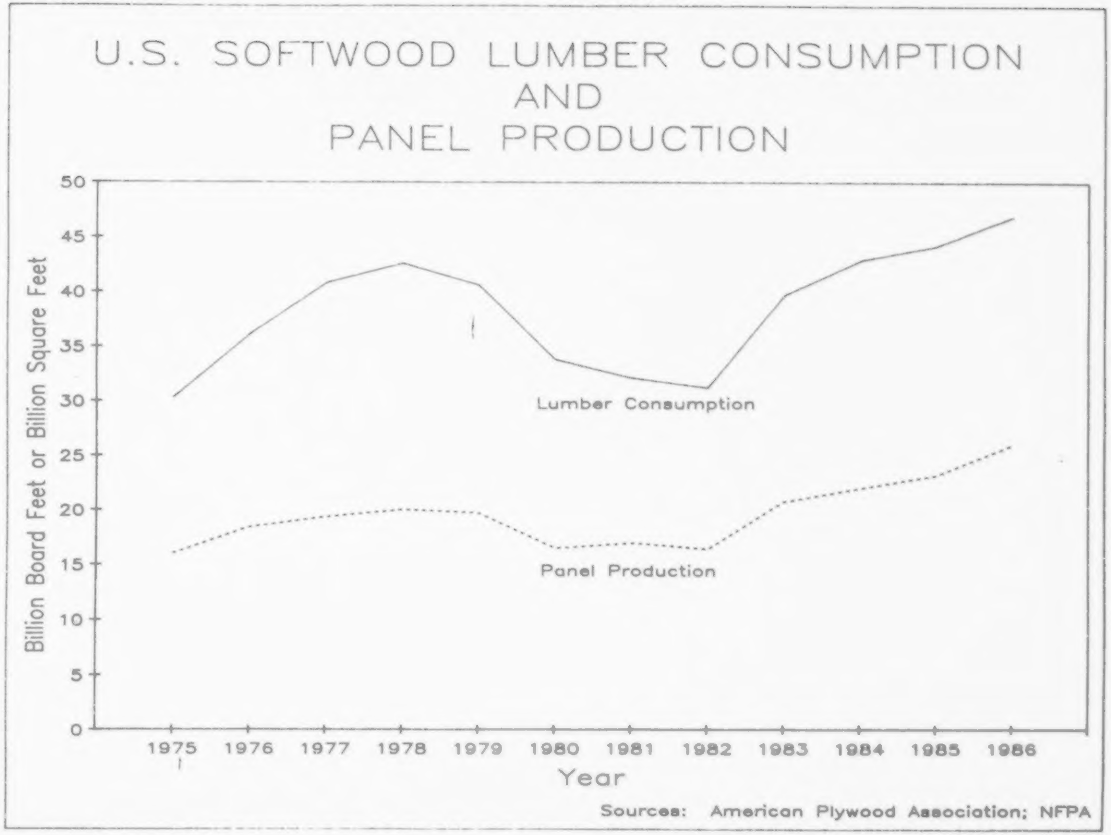
Moreover, we agree that no serious request for a reevaluation of any compromise should be brushed aside with a perfunctory dismissal that "a deal is a deal." Indeed, this is a position we will likely take when we testify before this Subcommittee on the adequacy of current release language during your soon-expected hearings on the Montana wilderness bill.

However, many of the assertions of failure of Section 705 use a limited and favorable data set to make a case -- a data set that is rapidly eroding in the face of improved product markets. The necessary premise for revising a compromise (i.e., new information or changed circumstances) has, frankly, not been established. Finally, the issues raised in these hearings extend well beyond the implementation of Section 705, and include a number of matters still before the Agency as it revises the Tongass plan.

Therefore, we urge the Subcommittee to direct the Forest Service to expedite the completion of the draft Tongass Land Use Management plan, and to continue its oversight of the development of the plan.

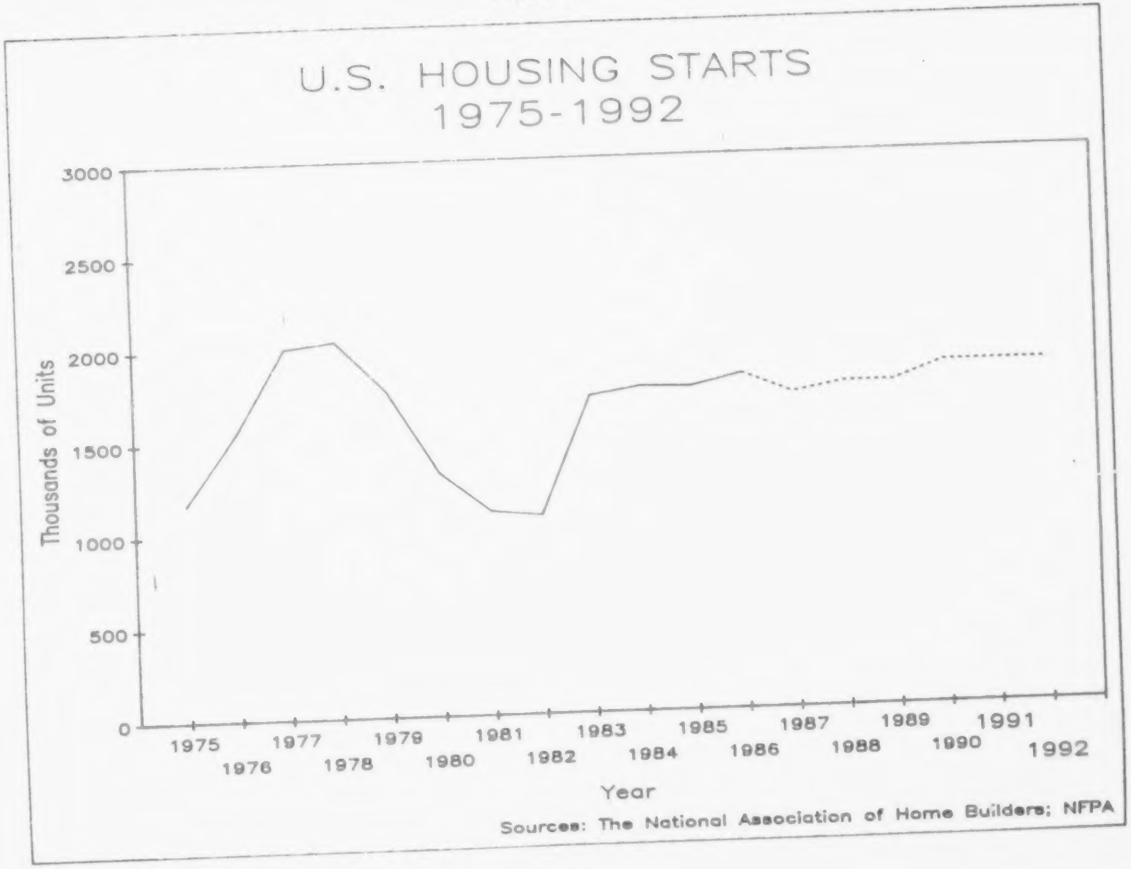
I appreciate the opportunity to testify. I would be happy to respond to your questions.

Figure 1



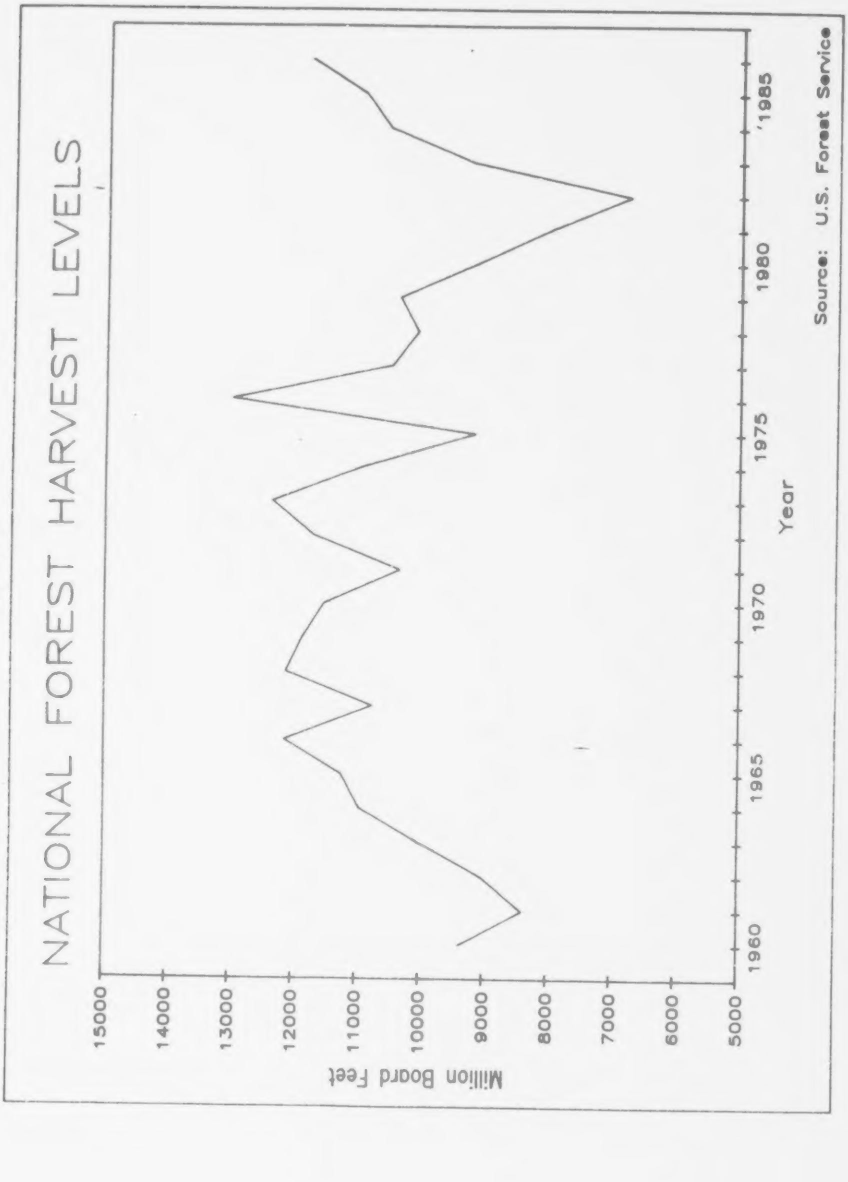
Sources: American Plywood Association; NFPA

Figure 2



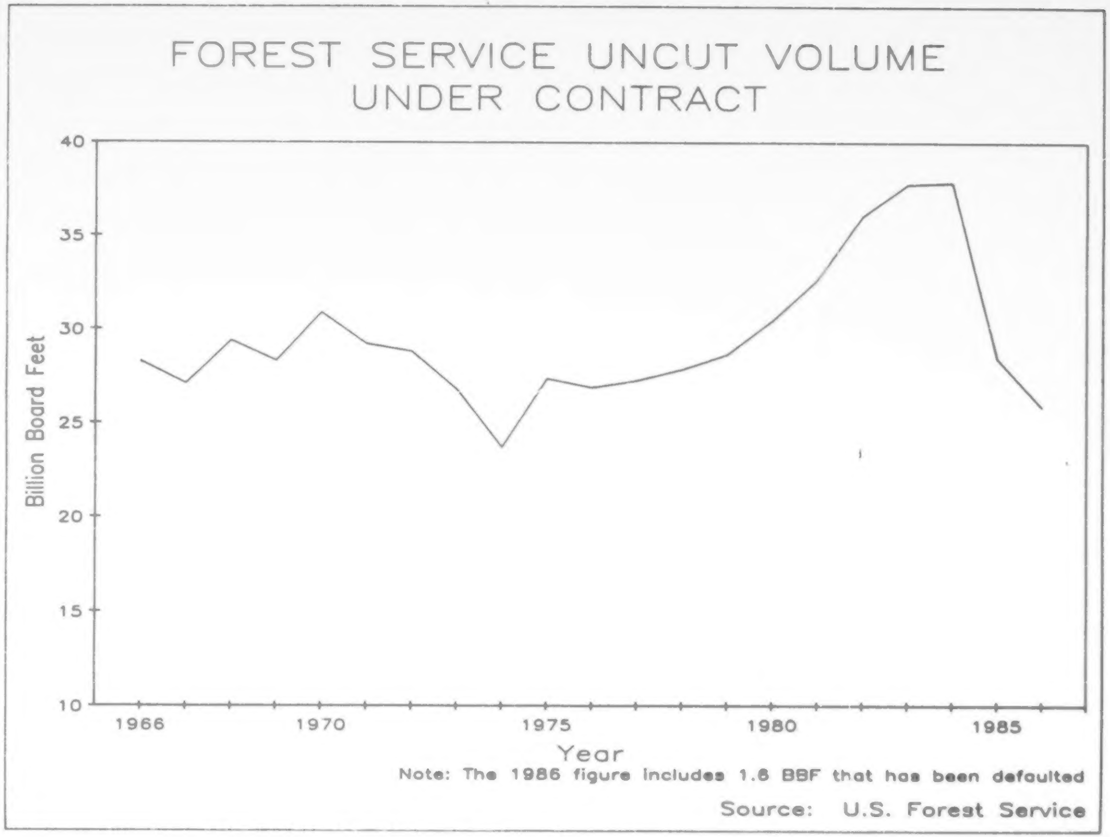
Sources: The National Association of Home Builders; NFPA

Figure 4



Source: U.S. Forest Service

Figure 5

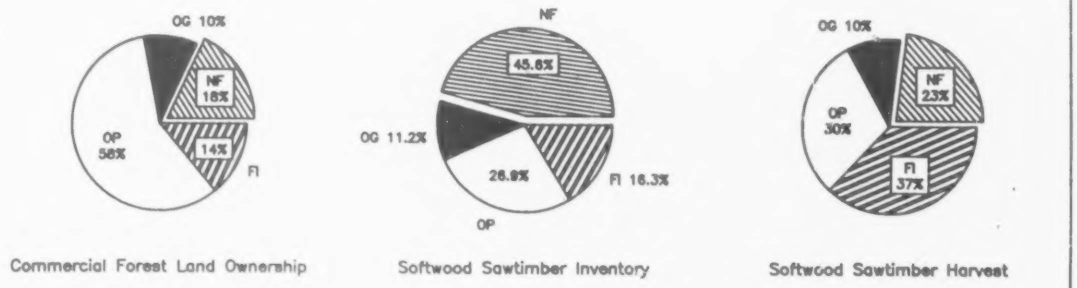

FOREST SERVICE UNCUT VOLUME UNDER CONTRACT

Note: The 1986 figure includes 1.6 BBF that has been defaulted

Source: U.S. Forest Service

Figure 6

U.S. FOREST RESOURCE STATISTICS BY OWNERSHIP CLASS



OWNERSHIP CLASS

NF - National Forest

OG - Other Government

FI - Forest Industry

OP - Other Private

Source: USDA, Forest Service

Senator MURKOWSKI [presiding]. Thank you very much. We appreciate your testimony, Mr. Rey.

Our next witness is Mr. Clark.

STATEMENT OF JIM CLARK, GENERAL COUNSEL, ALASKA LOGGERS ASSOCIATION, JUNEAU, AK

Mr. CLARK. Mr. Chairman, my name is Jim Clark. I am the general counsel to the Alaska Loggers Association. I live in Juneau, AK.

There are certain points that we hope we have gotten across today that we think are very important. First and foremost, the section 705 program is not a subsidy to the industry. What it is is the Forest Service management budget and the timber management budget, and the other regions of the national forest are simply not considered an industry subsidy in any other case.

And the mischaracterization of the Forest Service management budget on the Tongass I think creates a situation where people talk in terms of terminating the $40 million subsidy to the industry, and that mischaracterizes the debate.

What we have is a situation where we have an on-budget, it is part of the Forest Service budget, it is not subject to any appropriations. People say, well, why should it not be subject to annual appropriations?

I think we have been able to see that the Tongass National Forest is a forest that has higher scrutiny from national environmental organizations than anywhere else in the country. What happened when we put the program together is that we had more wilderness designated than the timber land base could support in terms of the jobs that we were then trying to maintain.

It was agreed by Congress that we try to maintain those jobs. The traditional way that the industry has fought off the more wilderness than the land base could support is to simply try to stop the wilderness from being created. Here Congress sought to come up with a creative solution to the problem where we could have both the jobs and the wilderness at the same time.

And why we get into the deal is a deal business and why we are so unhappy about the reneging on one side of this thing is that we end up with a wilderness seemingly sacrosanct, not back on the table, not subject to discussion, and on the other hand what we are trying to do is to take away a portion of the protections that were built in for the industry at the time.

The reason that we are not subject to annual appropriations is because of the difficulty in protecting ourselves before the various committees of the Appropriations Committees in the face of the national environmentalist channel.

That is most recently indicated in what has happened in the House Interior Appropriations Committee, were the timber budget was cut in half, meaning that for fiscal year 1988, were the House budget to go, we would only end up with 210 million board-feet of timber, hardly enough to support one pulp mill or one saw mill. In fact, it would not support one pulp mill. It would barely support one saw mill.

We believe that the economic focus, too, of the business, of so much money, $36,000 per job, is a focus on just one portion of the equation. When the industry came into southeast Alaska, there were two parts to the equation. One was the stumpage returns for timber, yes, but the other part was also the jobs.

And the numbers that have been produced by the Forest Service up to this point indicate that, while in fiscal year 1986 we had a net loss of $12.5 million, that we had a gain to the communities of $62 million in wages to our employees.

These numbers need to be looked at together to get some kind of idea of what the industry is in fact doing in terms of the mission that was initially set out by the Forest Service when the contracts were put together.

The equation is jobs plus stumpage for timber, and the focus to date has been only on the stumpage return portion and not on the value of the jobs that we bring to the Tongass National Forest and southeast Alaska.

A third point we would like to make is that the section 705 program simply has not had a chance to work. First, since 1981 when the program went into effect we have had a very, very severe deterioration of the markets. TLUMP was put together based upon assumptions based upon the markets at the time.

In 1979, 1980, and 1981, those were good market years. Thereafter, the market suffered the most severe depression that we have ever had on the Tongass.

The second major problem in terms of making 705 work is the problem of integration of the program with what was then going on. We had to integrate that program with the long term sales.

In point of fact, the ALP program for APC has not been integrated yet with the section 705 program. It will be done with the contract changes that will be made for the 1986–1990 period, and those contract changes still have not been implemented. They should be by 1987.

The same thing is true in the case of Ketchikan Pulp Corporation, where it does not look like that integration will take place until 1989. So in point of fact, we have not even integrated section 705 as part of the overall program, and we have not yet had a chance to see whether this thing would work well or not.

The notion of the pulp mill buyouts is one that we are very, very sensitive to, because the feeling is that were the pulp mills to be purchased we understand that is not part of section 708, but it is proposed, and if it is going to be proposed seriously we would really like to have that looked at as part of the TLUMP provisions. And that way we could get some professional look at it before it simply becomes a thought on how to solve all the problems of the Tongass without some kind of scrutiny and study.

But when you consider this, just take a look at what has happened to you in terms of the Redwoods buyout. That program has expanded, as I understand it, to almost four times the original estimate by the environmental groups who said it would be a good idea at the time.

This needs to be looked at, and we need to take a look at what the economics are going to be. Nobody has yet suggested what the costs of purchasing the long term sales would be, what the costs of buying the pulp mills would be, what the costs and economics would be to the saw mills which would remain.

We think it is just something that cannot be done willy-nilly, as has been proposed.

Senator MURKOWSKI. I hate to interrupt your testimony, but in view of the fact that this has been addressed previously, I think in Mr. Pihl's statement, I wonder if you could just give us a ballpark extreme estimate, because there are those who allege that there is a subsidy and there is cost to the government.

And I think for the benefit of generalizing for the record, if we had even some general extreme range of what the cost of cancelling—I do not know what is remaining—20 some odd years of the contracts, and the depreciated value of the mills.

Mr. CLARK. I am not qualified to answer that. Perhaps Dr. Newport or Mr. Pihl would be.

Senator MURKOWSKI. Well, I intend to ask the question. Please proceed, Mr. Clark.

Mr. CLARK. Thank you, Mr. Chairman.

We believe that the other important point, and this is my next to last point that it is very, very important to look at, is that up to this point the approach has been that what we will do is we will cancel section 705. The idea and the force of the argument behind that was that this would save money for the Government.

The notion of the pulp mill buyoff without any estimate from the organizations proposing that indicates that the quality of the debate has changed. Instead of now saving the government money, the proposal is to spend an unqualified part of government money in order to in essence terminate the industry in Alaska.

We think that is a bad idea. In any event, the overall changes that have been proposed to TLUMP—and we as an industry we have some, too—should be done as part of the TLUMP revision process.

I would really like to address this just for a moment. It is interesting how history is repeating itself. When we went through the Alaska lands debate from 1977 to 1980, the environmental organizations then wanted to create wilderness prior to the time that the Tongass land management plan was completed, and indeed intense pressure was put on the Forest Service, which also at the national level wanted to wait until TLUMP was completed, until the point where the Forest Service was threatened with a transfer of control of Admiralty Island to the Interior Department in 1978.

At that point, even though he might not have seen the light, Mr. Cutler felt that he had felt the heat, and he agreed that they go ahead and make wilderness recommendations, which were made February 1, 1978, well in advance of the completion of the Tongass land management program.

Those wilderness recommendations then drove the program, because, for example, on April 10, 1978, the telegram was received by then regional forester John Sander that said, we do not care what preferred alternative you have as long as the Administration's wilderness proposals are in that alternative.

So the wilderness drove the program in 1978. The regional forester produced, as you will recall, what he called a regional forester's proposal, which did not show up anywhere in the Council of Environmental Quality regulations, but it nonetheless became the basis for what the Senate Energy Committee did at that time.

And again we are hearing arguments for going forward before the Tongass land management revisions are complete. Part of the argument is that the Forest Service will choose the preferred alternative. That includes the 450 million board-feet, which I think it probably will do; and that that would somehow be a constraint.

We are not suggesting necessarily that the Congress would have to choose whatever the preferred alternative might be, but the information generated would produce a common set of numbers, a common set of assumptions, and a common set of facts from which all could operate.

Congress is in no way bound to accept the preferred alternative of the agency. It could look at any of the alternatives, in fact create an alternative of its own, if it felt the legislation was still warranted after the Tongass land management provisions were complete.

But Congress would have the benefit of that package. The land program could go forward with public input coming in prior to the time Congress acts. And it just seems that, with the previous panel containing two ex-Forest Service employees, it is a shame that the call is to do away with the planning process and act and rush to judgment prior to the time the planning process is complete.

And you just wonder why it is necessary to do that, why we cannot get that information on the table, why Congress cannot get the benefit of that information and the public input, which is going to be diverse. There is going to be a lot of public input that is going to reflect a lot of the testimony you heard from the first panel.

And that is going to be well represented, and it should be. But why can we not get that, so we get the views and the thoughts of the people of southeast Alaska before there is any kind of decision?

Indeed, what this committee has done through the reconciliation process is to set up a system where we are going to be subject to the annual appropriation process in fiscal year 1989. That is what the first bill and the Proxmire bill are all about.

There is no reason to rush to judgment and not wait for the planning process to continue. It is just hard to understand the arguments of those who advocate to the contrary.

Mr. Chairman, thank you. We would like to express our appreciation to the Committee and the staff for what we think is a good set of hearings, giving everybody a chance to argue their positions in depth, and giving you the committee a chance to ask questions of both panels in depth, to create a good record.

And we think it is a well conceived hearing and we would like to express our appreciation.

[The prepared statement of Mr. Clark follows:]

STATEMENT BY JIM CLARK
ASSOCIATION BEFORE THE SUBCOMMITTEE ON PUBLIC LANDS, RESERVE WATER AND RESOURCE CONSERVATION COMMITTEE ON ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
NOVEMBER 5, 1987

My name is Jim Clark. I am the general counsel to the Alaska Loggers Association. We appreciate the opportunity to testify today at this oversight hearing dealing with S 708. As you know that legislation would repeal section 705 of the Alaska National Interest Lands Conservation Act (ANILCA).

As with all disputed issues on public policy, this debate has taken on a life of its own. At this point, it appears to be an article of faith among some that the timber industry in Alaska is receiving a subsidy of at least $40 million a year and that the issue before Congress is whether it is a good idea or a bad idea for Congress to pay more than $36,000 per worker per year to maintain the industry.

We have several things in mind with our testimony today. We want to destroy the myth that there is a subsidy to the industry in Alaska. Part of the amount involved is the Forest Service Budget for timber management. An agency budget is not considered a subsidy to industry anywhere else in the country. The rest of the money involved is for the Forest Service to pay for some of the roads it will own at a time when timber values are deficit (instead of having industry pay for all of the roads at such times). In other words, what we hope we have demonstrated by our testimony is that the only thing that is different about the TTSF money is that it pays for some of the roads when timber is deficit in the lower 48 when timber values are deficit (such that there is insufficient funds for purchaser credits). The industry must build all government roads at its own cost and turn them over to the Forest Service thereafter. This, in fact, is a subsidy to the Federal Government. In Alaska to the extent that the Forest Service provides pre-roading dollars, Forest Service will build its own roads. Conversely, the extent that it does not provide pre-roading dollars for needed roads at times of negative stumpage (like the last five years). The industry still will subsidize the Federal Government.

Another myth that we have attempted to destroy in our testimony today is the notion that it costs $36,000 per timber industry job. When industry came into Southeast Alaska under the aegis of the primary manufacturer rule, the Forest Service essentially said that if industry constructed the pulp mills, which were necessary to create an industry and thus provide year-round employment, the Forest Service would sell the timber. In short, industry was to provide jobs in Alaska and pay stumpage in order to receive timber. Industry has provided those jobs even in the worst of times, as in the past five years. In 1986, for example, this constituted a total payroll of $62 million. As we see it, that $62 million, which was paid as wages in Southeast Alaska and was rolled over in the economy (four times by the Forest Service estimate), must be added to the minus $12.5 million net cash loss to the government (determined by the Forest Service) in providing the timber. In other words, we need to subtract $12.5 million from $6.2 million. This shows a net benefit of $49.5 million to the people of Southeast Alaska. When you divide that by the 3000 jobs, one can see that each job provides approximately $16,500 of value to the economy of the region. This is exactly the arrangement which the Forest Service (acting as regional economic development agency) sought to achieve in the 50's when the program was introduced.

The next point we wanted to make is the pulp mill issue. We all need to recognize that the introduction of this issue causes a major shift in emphasis in the quality of the debate. As stated, the environmentalists have attempted to argue that Section 705 needs to be repealed to save the government money. While Senator Proxmire has not added this provision to S 708 there is a bill by Congressman Mrazek to cancel the long-term sales. No one testifying knew what the cost of cancelling the sales would be. Furthermore, the question of whether or not our workers would be compensated if they lost their jobs was not addressed. As you will recall, such compensation was paid in the Redwoods bill. As you also recall, the Chief testified on November 3 that as of 1983 this story cost the government $70 million. This figure needs to be updated so we can make a determination about what the cost of compensating workers would be unless, of course, it is not the intent to compensate the workers who would lose their jobs as a result of cancelling the long-term sales half way through.

The final message that we hope we have left with you is that this is a very complicated subject. There is no need to rush to judgement to save the government money because we are not in a subsidy situation. Rather, what makes more sense is for the Forest Service to complete its Tongass Land Management Plan revisions, which will set up various alternatives, which this committee can look at in determining what if any legislation may be needed.

Thank you for the opportunity to testify.

Senator MURKOWSKI. Thank you, Mr. Clark. We appreciate your testimony and that of the panel.

Mr. Rey, in your testimony you made reference to future markets and the likelihood of the markets continuing to maintain a favorable trend, or perhaps it would be more appropriate to say stabilize somewhat, in comparison to what they were previously, I think at page 7.

There was also on page 5 a reference that the average price of sold timber in Alaska had increased 295 percent. How does that in your opinion apply in the face of the testimony of Mr. Joseph Mehrkens, who indicated that his analysis showed that it was somewhat of a temporary thing and could not be expected to sustain itself?

Mr. REY. I disagree, obviously. I think Mr. Mehrkens' testimony is largely a reflection of what he observed during his tenure in the Forest Service during the recession years of the early eighties.

I think what he has overlooked in terms of the future, particularly the future for an industry like the Alaskan industry, which is heavily dependent on the export market, is the growth of that market, which I indicate in my testimony, I think on pages 4 or 5, has been substantial, in large part as a result of programs to expand U.S. trade abroad, U.S. wood products trade abroad.

I think the second thing he has overlooked is that Alaska competes not necessarily against the rest of the Pacific Northwest in the export market, because Alaska has almost a corner on the quality spruce market, while Oregon and Washington are exporting largely douglas fir.

I think the next thing he ignored was the fact that where there is the most close competition in terms of species mix with the Alaskan industry, that is British Columbia, British Columbia logging costs are going to rise, while Alaska logging costs have been decreasing and will remain stable.

Additionally, I do not think he factored in the impact of the excise tax on Canadian lumber, which clearly will not affect the export market, except the Canadians are turning that into an increase in their stumpage fees, which will influence their export market and favor, at least in terms of spruce, Alaskan spruce.

So I think that if you add to that the political instability in South Africa, which is one of the major producers of dissolving sulphite pulp, the future looks relatively bright, bright for both the industry as a whole and the industry in Alaska as well.

Since, to refer to Mr. Mehrkens' phrase in his testimony and use it slightly differently, public relations and associations people are the last in and the first out, my confidence is in part a career decision. I think we are here to stay, the industry in the Pacific Northwest and the industry in Alaska as well.

Mr. PIHL. I would like to add that our markets are abroad, as I indicated, particularly for pulp. In the world market we have established ourselves as a producer of specialty pulp, and our five to ten year outlook is much, much brighter than that. We are pretty optimistic.

Senator MURKOWSKI. Do you have any plans for expansion in any of your phases of the wood products industry?

Mr. PIHL. We do not see an expansion of our pulping capacity, but we do produce paper pulp, too, along with dissolving, and have done that two times already this year, major tonnages for China. And we will do it again in November.

Senator MURKOWSKI. Let me see if for the record we can address the area of employment. We heard the Forest Service, I believe, utilized a figure of some 1,400, based I believe on last year's figures. I am not sure. But I do not know who wants to address this.

We have a representative of Ketchikan Pulp Company, who indicated you employ some 700-plus. And is that the two shifts or your pulp mill operation and the woods operation?

Mr. PIHL. The 750 is our pulp mill, our saw mill, and our own operated logging camps. There is another 450 working for contractors for us in logging, road building, tow boating, et cetera.

Senator MURKOWSKI. That is about 1,300?

Mr. PIHL. 1,200.

Senator MURKOWSKI. Now, Mr. Finney, you represent Alaska loggers. What percentage of loggers are in your organization?

Mr. FINNEY. Most of the loggers are in the association. And we also have a sister organization, the Alaska Timber Insurance Exchange, which does the workmen's comp for most of the workers, for most of our members.

Checking on that just before I left, they were insuring a little over 2,500 employees. They are not all in that. So that is why in my testimony I said 2,500 to 3,000.

Senator MURKOWSKI. If this Committee went to the two pulp mills and the saw mills, I suppose we could get the figure and add how many are in the logging.

But can anybody give us a figure that they are willing, not necessarily to risk their reputation on, but to say as more than an educated guess and would indicate that indeed with some degree of accuracy——

Mr. FINNEY. We feel we can say with a great degree of accuracy that there is at least 3,000 employees right now. And if the market continues and how we see it for next year, it will be close to 4,000 employees.

Senator MURKOWSKI. You say 3,000, and this does not include the second level of employees that peddle iron or cable?

Mr. FINNEY. No, these are all direct employees. People employed in the woods, the saw mills, or the pulp mills.

Senator MURKOWSKI. Thank you. Gentlemen, can you give me some idea of what might be the litigant cost, the liability to the government if the contracts were cancelled and the claims were filed for breach of contract and value of whatever the pulp mills are?

Mr. NEWPORT. I will make a stab at it. At least it might establish for you the nature of what those kinds of, the methodology that would have to be gone through to support lawsuits, just a wild cut at it.

Basically in such lawsuits, one of the first things is a lost profit opportunity, and that would be the two purchasers of the long-term contracts.

Senator MURKOWSKI. Well, that is easy when you have a bum market. You do not have any profit.

Mr. NEWPORT. That is why it would be nice to put them out of business right now. Because they could say there was not any profit opportunity.

And in a sense that is exactly what they are trying to do to us. I say us, the industry, Senator, is to pick this time to do it.

But not withstanding that, I would say that the lost profit opportunity for one of those long-term sales would be somewhere in the neighborhood of $165 million, just talking about the lost profit opportunity from having the balance of the sale cancelled, and losing only the profit from the operation of the mills.

Loggers, and there would be a rather long line of them, I believe, the ones that employ this, the independent loggers that are not employees of the mills, those things are enterprises also, which would have a lost profit opportunity, that they certainly would attempt to allege and could to the extent that I believe that the shutting down of the long-term contracts would result in the pulp mills, in fact, losing their profit opportunity, and therefore in fact not being there, and there would be jobs lost.

It would not be replaced by independent sale of the same timber. I would estimate that is going to be somewhere in the neighborhood of $80 million to $100 million of lost profit opportunity.

And then there is the matter of the residual value of the mills, which is several millions of dollars. And then it goes on from there.

Senator MURKOWSKI. Could you give me, $245 million less value of the mill for one pulp mill. Is that right, that we are now talking about?

Mr. NEWPORT. What I am talking about is, as someone who has had some past experience in damage estimates, you sue for the lost profit opportunity and then you sue for the undepreciated value of the mill asset as a minimum.

Senator MURKOWSKI. Well, that is fine. We are talking about a minimum. But you come up with about $245 million for one. And if you double it you come up with about $500 million.

Mr. NEWPORT. Yes. And in my opinion, there would be a basis for suits for any of the dependent industries located in Southeast Alaska, because they would not be there without the pulp mills.

In other words, people that sell the fuel oil and the air charters and the other suppliers, you refer to them as the ones who supply the iron and the cable and that sort of thing.

Senator MURKOWSKI. It sounds like a full employment act for attorneys to me.

Mr. NEWPORT. It does. And you might throw in a forest consultant who might be able to make something out of the damage lawsuit.

Senator MURKOWSKI. I am sorry I asked the question.

Mr. PIHL. You have not addressed the impact on all those employees, the property values and the communities that would be affected.

Senator MURKOWSKI. What happens to the property values and the communities?

Let us assume your mill shuts down and the Forest Service could not put up a sale and could not provide the terms of the contract. Do you feel you have a liability to your employees to pick up what they lose?

Mr. PIHL. No. I think the government would. And I think that would have to be addressed.

Senator MURKOWSKI. Is there a precedent set for that in, say, any other area that you know of?

Mr. PIHL. Well, I think as part of the Redwood Park settlement, employees were taken care of for some period of time for retraining and location into other jobs and industries.

Senator MURKOWSKI. Well, the cost to the Federal government, I think, was brought out in some testimony.

Mr. PIHL. I think the Redwood Park total is somewhere between $1.2 million and $1.5 million. Excuse me, billion. And I would not be surprised that this would reach that amount.

Senator MURKOWSKI. That is for the land we took for the timber, I am told, and not the compensation.

Mr. PIHL. That is correct.

Senator MURKOWSKI. That was not the compensation. That was, there was compensation given in addition to that.

Mr. PIHL. To the employees, yes. I think the $1.2 billion to $1.5 billion is just to the three or more companies that the timberlands were acquired from.

Senator MURKOWSKI. It might be appropriate if somebody would care to provide that for the record. You would seem to be an appropriate group.

A couple more questions. Mr. Finney, what objection do you have, if any, for doing away with the Tongass Timber Supply Fund in the sense that you can live without it?

You know, the Forest Service is still going to be there, they are going to depend on an appropriation. They are going to have so much money, instead of the additional that they have now.

What do you see as that kind of an alternative, where they just take their appropriations and spread it, and whatever priority is given to the Tongass National Forest is given?

Mr. FINNEY. Well it is going to have the effect of reducing the allowable cut.

The allowable cut, as you know, under ANILCA, we got a limited entry to the forest, from that point on. And that limited the size of the industry so that it could never be larger than 450.

If the Tongass Timber Fund is taken away, then the result is that it is going to be something less than 450 million allowable cut. And the industry would have to be reduced a proportionate amount.

Now, the unfortunate thing is that that ends up applying directly to the independent mills, and the small loggers and the small business, because if the contracts are still in place, and for the long-term timber sales and the Forest Service has the obligation to provide the timber for those, and there will not be enough timber left for the independent sales operations, those are the people who would suffer the most under that situation.

Mr. CLARK. I think too, Mr. Chairman, that if it were politically possible to do, and I understand from talking to people who are a lot smarter about the politics than I am, that it is not.

But if it were possible to do, if we could put the wilderness back on the table that basically got traded for this program, so that we started from a level playing field with both 705 and the wilderness off the table, and built the program anew, since people are not happy with the present compromise, that might not be such a bad thing.

We as an industry did not want the program, the 705 program to begin with. I think some people may recall that S. 9, which was the bill that emerged from the Senate Energy Committee, did not have any money in it.

What it had was special management areas on places like Admiralty Island. It was only when the final compromise was reached that the money came into the picture.

But we wanted a more traditional approach, an approach that simply limited the amount of wilderness, so that we had a land base that could support the then-existing number of jobs. And that is what S. 9 did.

It had special management areas in it. And at the end of the day, with the Tsongas substitute, what we did was we eliminated the special management areas in S. 9, and created the 705 program as part of that.

We would be happier with a program that did not have the money, had less wilderness, and a more traditional approach to it, because it is the uniqueness of the situation as it affects the Tongass, which has made us stick up like a red flag, and really cause this second round of hearings on the same subject.

Mr. NEWPORT. Senator, if I might comment on another aspect of this. Having been an employer in national forest administration and spent many years in the forestry research department of the Forest Service, I have some background on it.

The situation that prevails on the Tongass prevails on other forests similarly. But one has to remember that in this process of preparing timber for sale and making the investments in advance that Don Finney alluded to, there are investments in advance for the sale program itself.

It takes as long as three years to get through the environmental impact statement procedure, to get the timber appraised and offered for sale, and what the tendency has been for many, many years, and this is true on all forests for that matter, is that when you have a good, strong market, the Congress is inclined to be sympathetic with the Forest Service's plea for more money for timber sales.

When the market is poor, and that is the time that they should be making plans for the subsequent good market, that is also the time, 2 or 3 years in advance of when you need those sales up ready to sell, that you need the appropriations.

But that is always the time in which the immediate reason for the appropriations is not apparent. And I think that it was very wise for you to set up this kind of a fund there, where you definitely felt that you needed to assure the replacement of the timber that was lost from the setting aside of wilderness.

Because there is more investment to it than just the precommercial thinning and the reforestation, and the timber stand improvements, which are generally recognized as investments for the future. But there is a 3-year period of investment in advance of sale programs as well.

Senator MURKOWSKI. I wish that we would have asked the Forest Service, and in fact I am going to instruct staff to initiate a request to the Forest Service for a detailed explanation on their actual expenditures within the Tongass timber funding.

Because I think there is a perception that the amount is entirely for the benefit of timber contractual sales, as opposed to many other functions that go on, such as the reforestation thinning and the associated management of the forest as well, whether it be those that ride on the ferries.

There seems to be a broad area of service the Forest Service provides, other than just putting timber sales up or putting roads into areas for accessibility. And I would ask that that be so noted in the record, that we get that kind of detail from the Forest Service.

Gentlemen, I think we have had a pretty conclusive hearing. And on behalf of the chairman of the Energy and Natural Resources Committee and the subcommittee chairman, I want to thank you.

Mr. FINNEY. Mr. Chairman, if I might, on behalf of the members of the Alaska Loggers Association, I would like to request that if this legislation proceeds, that field hearings be held in Alaska.

This is the work season for our people. It is impossible to get the people here that need to be testifying at these sorts of things. They are busy doing their job in the woods.

And we feel that it is very necessary to hear from the people who will really be affected by this legislation before it is considered.

Senator MURKOWSKI. I thank you. That will be a request that will be forwarded on, of course, to the chairman.

I initiated a request and I have discussed the matter with Senator Bumpers, who is the subcommittee chairman. He has assured me that it is his desire that we hold field hearings in Alaska.

He indicated that he hoped that he would be able to conduct them. If he could not, there would be someone so designated. But again, that is within the purview of the chairman, Senator Johnston.

My last question, gentlemen, and this is my last question, is with regard to what occurred at the time the 1.3 million acres was added to the wilderness and taken out of the alleged commercial timber area, and the agreement that is part of the statute now that says at least $40 million shall be expended.

There are those who suggest that is less than a binding agreement, and subject to a 5-year review. And the 5-year review process has occurred and is reoccurring. But I am concerned with the significance of whether that indeed is a binding agreement in the true letter of the law.

What is to protect an investor who perhaps expends $50 million to $75 million to go into the forest?

Or, as the pulp mills have done, when they built their mills and have had to add to them to meet the environment protection requirements and so forth, and you are looking at a 5-year review that could necessarily put you out of business if indeed the agreement was pulled away so that the Forest Service could not put up the sales?

Mr. CLARK. Mr. Chairman, I am not going to suggest for a moment that one Congress binds another Congress, because it does not.

But I think that it might be just helpful to understand how the 706(b) 5-year review got into the act. In fact, it was a provision requested by the timber industry at the time the bill was still in committee.

As I mentioned at the time the bill was in committee as S. 9, there was special management areas. And the special management areas were neither wilderness areas nor were they areas open to harvest.

They were areas from which the potential yield would be calculated as part of the forest, but would not be harvested. They were deferred areas.

And at the end of the 10-year period, Congress was going to take a look to determine whether they should be put into wilderness, or whether they should be open and available to harvest.

At that time, the 5-year review provision, which was part of S. 9, was to make a determination as to whether or not, how we were doing, how was the industry doing in terms of certain underlying assumptions about how much timber was going to be needed.

And we were going to make a 5-year review on not only the timber, but we were going to take a look at how the other resources were doing as well. In other words, we were going to take a look at the timber and see how we were doing in terms of jobs. We also were going to look at those other things.

This was an item that was carried over into the Tongass substitute, and that is how, in fact that was the genesis of the 5-year review. So it does not necessarily mean that it serves a good purpose in any case.

But it does not mean that therefore this thing is going to be abrogated after five years. Congress can abrogate it at any time. But I think the people were figuring it was at least going to last through one cycle of the Tongass Land Management Plan revisions, so we could at least take a look and see how the thing worked.

I think that as a result of the poor markets, we have not yet had a chance to see how 705 has worked. As I mentioned in my testimony, we have not had a chance to see how it worked because of the poor markets, and because we have not yet fully integrated the section 705 program with the existing long-term contracts and the existing timber sales.

So I think the jury is still out. I think we really ought to have a chance to see how the thing works. And certainly we would think nothing ought to happen until after this next TLUMP provision is complete and we get what amounts to a second 5-year score.

The first 5-year score being in 1976, excuse me, 1986. The second one would occur in 1989, with the Forest Service completing it, and should be reviewed, in my opinion, by this committee. We would think that would be a good idea.

Senator MURKOWSKI. Well then, your release is basically litigation. That is the only alternative you have.

Observing the pace of government, why do you feel this issue is being pushed to the crescendo it is with national media interest, obviously extraordinary environmental interest, when indeed if the normal course of events were pursued, we would have a base to evaluate from the standpoint of a re-examination of policy by 1989?

Mr. CLARK. Let me just hazard a guess.

Senator MURKOWSKI. What is your vulnerability now, that is so extraordinary?

Mr. CLARK. Let me just talk to that for a second. As I said in my main testimony, this is a repeat of what happened the last time.

There was a rush to get wilderness on the table and get wilderness recommendations before the Tongass Plan was completed in the 1977 through 1980 period. That came in the form of a February 1, 1978 letter from Rupert Cutler to John Seiberling.

And the idea was, somehow a mistrust of the planning process. We cannot trust the Forest Service, we cannot trust the planning process, so we had better get our wilderness on the table first.

We are witnessing in the Tongass today not only the efforts of the authorizing committees, but the efforts to cut Forest Service budgets at the appropriations committees, and the ongoing litigation.

For example, half the timber in the APC, 1986 through 1990 long-term allotment, and the 1981 to 1986 5-year operating periods, are going to be held up and will not be subject to entry, pending another EIS, a supplementary EIS that has to be completed for that period.

All of these things are delayed, I think, until after these revisions are completed, so that the maximum areas of land will be available for some kind of protective use again.

In short, I think the overall thrust here is not economics, good or bad. I think what the basic thrust is another land use, another attempt at land use allocations. We are dealing not with the young economists. We are dealing with the Wilderness Society.

Their effort is to get wilderness. Not necessarily great economics. And I think that is the, when you take a look at the total program, that includes the litigation as well as the various efforts before Congress. That is what we are talking about.

Senator MURKOWSKI. Mr. Pihl, on this chart, I think it is important that you indicate the SM saw hemlock and LG saw spruce. Is that large spruce?

Mr. PIHL. Yes. Small saw hemlock, and a large saw hemlock is a 16-inch plus log.

Senator MURKOWSKI. And everything else over in pulp, 47 percent is just timber that is not suitable for a higher purpose. Namely going through the saw mills.

Mr. PIHL. It will not meet the grades to go into a higher classification.

Senator MURKOWSKI. So it has no other market?

Mr. PIHL. That is correct.

Senator MURKOWSKI. That you are aware of in southeast Alaska?

Mr. PIHL. There is a portion of the 47 percent that does vary by markets. If one were to want to expand the harvest on the Tongass to, say, a billion board feet over time, and built 30 saw mills, such as has occurred on the west coast, that would be a lot——

Senator MURKOWSKI. Could you market that species? Obviously you are referring to an inferior species.

Mr. Pihl. It would be very difficult. You can only market it in the very best markets.

Senator Murkowski. Thank you, gentlemen. I think we have all been saved by the bell.

We have a final passage of the Railway Safety Act. If any of you are riding the train tonight, you should feel a little better about it, assuming it passes. If not, I want to thank you. This panel has taken almost as much time as the previous panel.

Mr. Finney. Mr. Chairman, one more final thing. You have asked for us to tell how we got here.

I would like to say that, for the record, that Dr. Newport was retained as a consultant for the Alaska Loggers Association. He has worked for our association for 20 years, I guess.

Mr. Clark is retained as our attorney, and the other people were on their own.

Senator Murkowski. Thank you. I would like to thank the panel. I would like to thank those of you who sat through this, and the professional staff, and any others that we have not recognized.

The record will remain open for 10 days to 2 weeks, depending upon whether we count the weekends or not. Two weeks, I guess. For the benefit of the record, the submission was the Tongass Land Management Plan revision. So it could be correctly named by title. And some other material.

I thank you and wish you a good day. And on behalf of the chairman, the subcommittee chairman, this hearing is adjourned.

[Whereupon, at 5:50 p.m., the hearing was adjourned.]

APPENDIXES

APPENDIX I

Responses to Additional Committee Questions

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

1/4/88

Honorable Dale Bumpers
Chairman, Subcommittee on Public Lands,
National Parks and Forests
United States Senate
Washington, DC 20510-6150

Dear Mr. Chairman:

Enclosed are our responses to the questions you submitted on November 16 as a result of the Subcommittee's hearing concerning S. 708 on November 3.

Please let us know if you need additional information.

Sincerely,

F Dale Robertson

Chief, Forest Service

Enclosures

TONGASS LAND MANAGEMENT PLAN (TLMP) REVISION

1. Question: When will the new Tongass plan be completed in final form? When implemented? Do you anticipate appeals? What is the estimated cost of this plan?

Answer: A draft environmental impact statement will be completed in December 1989 and a final revised Forest Plan and EIS could be available as early as 1991. The plan will be implemented shortly thereafter. Our hope is that all interested parties will participate in the development of the plan, thereby giving the issues on which the plan is built a chance for full public review. The public involvement effort will allow a full range of public comment, however, appeals are anticipated. Estimated costs of the completed plan are:

FY 87	$ 444,000
FY 88	$ 2,075,000
FY 89	$ 1,500,000
FY 90	$ 500,000
FY 91	$ 500,000
Total	$ 5,019,000

2. Question: Is the Forest Service in any way hampered by ANILCA Section 705 in looking at alternatives for the revision of the Tongass Land Management Plan?

Answer: Revision of the Tongass Land Management Plan will not be hampered by ANILCA Section 705 in looking at alternatives. The environmental impact statement accompanying the revised Forest Plan will include alternatives that address identified issues and concerns and are distributed to reflect, to the extent practicable, the full range of major commodity and environmental resource uses and values that could be produced from the forest. At least one alternative will reflect the requirements of ANILCA Section 705.

3. Question: On page 2 of the Tongass Land Management Plan (TLMP, Part 2), it states that "a revision will be completed before 1983 to fully implement the requirements of the National Forest Management Act." Was this revision of TLMP ever done? If not, why not?

Answer: The revision was not done. The passage of ANILCA redirected Forest Service resources that might otherwise be dedicated to the early revision of the Forest Plan. The Tongass Plan was implemented for over a year before ANILCA was passed in 1980 and, therefore, could not reflect the Congressional direction and related desires of this legislation. Congressman Udall stated in the Congressional Record on November 12, 1980, (page H10544), "...TLMP should stay unchanged through the first planning period as mandated by existing law (10-15 years), to allow time for the market and demand situation to become clear before forcing the Forest Service to readdress this enormous management planning task." The passage of ANILCA with the number of specific requirements regarding the Tongass, including the reporting provisions of Section 706, led the Forest Service to abandon the projected 1983 revision. A comprehensive evaluation of the Plan was completed in 1984 and was followed by a Plan Amendment, which acted on many of the evaluation's recommendations.

4. Question: National Forest Management Act regulations require the selection of certain species of animals as management indicators. Has the Tongass Land Management Plan been revised for this provision of NFMA?

Answer: The NFMA regulations containing direction on management indicator species were not promulgated until September 1982. The original Tongass Land Management Plan, and subsequent amendments of the Plan, did not address management indicator species, as such. The original Plan did address the management of a variety of species and species groups (then called emphasis species) by establishing a habitat retention mechanism and broad land allocations which incorporated prescriptions beneficial to wildlife and fish. The use of proposed management indicators is identified in the plan amendment completed in the winter of 1985-86.

A proposed list of management indicator species has been identified in cooperation with the Alaska Department of Fish and Game, United States Fish and Wildlife Service, and the National Marine Fisheries Service. The final list of management indicator species will be incorporated in the revised plan.

5. Question: Is it possible to be in compliance with the National Forest Management Act and still meet the 4.5 billion board feet per decade requirement of Section 705 of ANILCA and the terms of the fifty year contracts?

Answer: Yes. NFMA provides that decision makers consider the net public benefits that can be derived by providing differing mixes of resources and determining the set of resource tradeoffs that can best meet the public needs. For instance, under the current Tongass Land Management Plan, a landbase with sufficient commercial forest land to maintain a supply of 4.5 billion board feet of timber per decade is available provided the added investments that were required to achieve the Allowable Sale Quantity in the Plan were made available. The availability of these investments was a consideration in the funding mechanism provided by ANILCA section 705(a). The existing Plan is in compliance with NFMA, as amended by ANILCA section 705(d), Section 705 of ANILCA, and the terms of the 50-year contract.

6. Question: Doesn't the National Forest Management Act require you to select a management alternative that best meets the needs of the public as identified in the planning process? What if the public needs more wildlife habitat protected or it needs a much larger independent timber sale program, but these choices conflict with ANILCA or the contracts?

It took the Alaska Region of the Forest Service at least 3 years to complete TLMP, which was much easier to do than a typical, modern forest plan. Is it realistic to expect the TLMP revision to be finished without delays?

Answer: Under NFMA Regulations the formulation and evaluation of alternatives is largely driven by the issues identified by the public. The revision will be developed the same way. There are numerous "what if" questions that could be posed at this early point in the revision process. Under the scenario depicted, an alternative would be developed and evaluated to respond to those issues. The alternative could then be evaluated in terms of ANILCA and long-term timber sale contracts.

The original Forest Plan was developed when NFMA regulations and procedures were just being formulated. Available analytical tools were not as sophisticated as those used today. In revising the Tongass Forest Plan, we have an existing plan upon which to build. While the revision is a major task, we believe the draft can be issued in late 1989.

Tongass Land Management Plan Assumptions in 1979

1. Question: The Tongass Land Management Plan (TLMP) finalized in 1979 was based on a series of assumptions regarding timber markets, wildlife biology, and demographics. TLMP assumed that the Tongass could support a 450 million board feet yearly timber cut and at the same time protect fisheries, subsistence, and other uses of the forest. Were these assumptions correct?

Answer: The Forest Plan's timber management program, with an annual average allowable sale quality of 450 million board feet, was based upon consideration of the resource capabilities of all resources, comments received from a large number of publics and an analysis of all available data. Since an annual average volume of only 280 million board feet has been harvested between 1980 and 1986, many of the assumptions about the anticipated effects of harvesting at this level have gone untested.

A detailed account of how the anticipated effects of implementing the Plan compare with what was realized between 1980-1984 is presented on pages 105-113 of the 1984 Tongass Land Management Plan Evaluation Report. The Evaluation Report points out the reduced timber harvest levels but also shows that many of the Plan's other predictions were fairly accurate.

2. Question: In 1980, Section 705 guaranteed at least $40 million a year to make available 450 million board feet. Since then the Forest Service has been spending an average of $46 million each year. Yet only 40% of the planned timber sales have been cut. How do you explain this situation?

Answer: The $40 million figure was based on making available an annual average volume of 450 million board feet. A major cost in making volume available was creating an infrastructure that would support management activities for the areas available for roaded activities.

The Forest Service has offered an annual average volume of 474 MMBF per year during the 1980-1986 period. The amount of timber made available annually declined from 523 million board feet in 1980 to 383 million board feet in 1986, in response to the declining demand for timber from the National Forest. Due primarily to depressed timber markets, the timber industry has not purchased or harvested that amount in any of the years since implementation of the Tongass Timber Supply Fund. The administration of the actual harvest of National Forest timber is a relatively small cost compared to preparing the timber to be offered to the timber industry. Between 1980-1986, the average harvest level was 280 million board feet. The earlier timber preparation efforts did not anticipate the duration of the overall downturn in the timber market or the increased harvest activity by the SE Alaska Native Corporations with the more preferred product, round logs.

Another factor not considered is inflation. Using the Gross National Product figures from the January, 1987, Economic Report of the President, the 1986 equivalent of the $40 million in ANILCA would be $53.8 million.

Section 705 -- Timber Harvest Goal

1. Question: Do any of the other 155 national forests have a harvest goal written into statute?

Answer: No. No other National Forests has a timber supply goal written into statute.

2. Question: Would you advocate legislating harvest goals like the one found in Section 705 as a standard land management tool for your agency? Why or why not?

Answer: As a general rule, no. Legislation with specific management direction reduces our flexibility to respond to changing conditions. However, situations might arise where legislating such a goal might be appropriate to insure that the Congressional intent is clarified in law.

3. Question: If S. 708 passed in its present form, would it affect the Tongass Land Management Plan already in place on the Tongass? Wouldn't TLMP continue ahead regardless of S. 708?

Answer: The effect on the Forest Plan already in place would be that the added investments funding would not be guaranteed. Instead, the entire budget to implement the Forest Plan would be subject to the annual appropriations process.

4. Question: Recent Forest Service figures for all Southeast Alaska timber jobs show that there has been a loss of at least 1000 jobs in the timber industry since 1980. Why hasn't Section 705 worked? Is an adequate timber supply enough to maintain employment?

Answer: While it is true that there is less employment in the timber industry now than in 1980, it does not mean that Section 705 has failed. The purpose of Section 705 was to insure that an adequate supply of timber, in the amount of 4.5 billion board feet per decade, would be made available to dependent industry. The harvest and processing of timber, in turn, would provide the jobs, and the jobs in turn would be a stabilizing factor on the Southeast Alaska economy. In the 7 years that Section 705 has been in place, an annual average of over 450 million board feet of timber have been made available to dependent industry. The part of the overall equation that the Forest Service can control has, therefore, been accomplished.

The slump in lumber and wood products markets in the early years of this decade was in response to soft markets for these products world-wide. This slump was felt by timber suppliers everywhere. The maintenance of supplies of timber does not guarantee the sale and harvest of the timber at any one point in time. It is the harvest and processing of timber that creates the jobs in the timber industry, not the supply of timber by the Forest Service or other suppliers. Market demand (and the cyclical nature of free markets) will continue to determine the use of timber in Southeast Alaska and employment in the timber industry.

The total annual volume harvested in Southeast Alaska has not changed significantly since the passage of ANILCA in 1980. The loss of jobs in the timber industry is due to three primary factors: a higher percentage of the total volume being supplied by the Native corporations where primary manufacturing requirements do not exist; efficiencies in the pulpmills and sawmills that have reduced employment; and, market forces external to Southeast Alaska. Jobs directly related to lumber and wood products have averaged 2,375 over the seven year period while indirect/induced jobs have averaged 796. There were 2,888 directly related lumber and wood product jobs in 1980. In 1986 they were 2,400, up from a low of 1907 in 1984. If the increased demand for manufactured wood products in recent months continues, employment could return to near pre-ANILCA levels.

Section 705 -- Tongass Timber Supply Fund

1) Question: One of the purposes of the Tongass Timber Supply Fund was to make possible greater harvest in lower volume timber stands. Has the timber supply fund been used to achieve that goal? Are you meeting the TLMP targets for harvesting low volume timber?

Answer: Yes, the timber supply fund has been used to achieve the goal of making more lower volume timber stands available to the timber industry. The following table displays percentages of the Forest Plan goal for the two lowest volume classes that has been offered, sold and harvested for the period FY 1980-1986:

Volume Class	% Offered	% Sold/ Released	% Harvested
8-20 MBF/Ac	60	26	12
20-30 MBF/Ac	120	71	42

The table illustrates the Forest Service has attempted to meet the objectives established by the Forest Plan, however, the timber industry has been unwilling to purchase and harvest the lower value material. The industry's reaction is predictable considering the depressed timber markets of the 1982-1985 period also lead to shortfalls in the higher volume classes.

2) Question: In FY86 how much did the Forest Service spend on the Tongass timber program including roads and engineering?

Answer: The following expenditures are those associated with the Tongass Timber program, including roads and engineering in Fiscal Year 1986.

Timber Sale Preparation (TTSF)	$8,101,000
Timber Sale Administration (TTSF)	3,859,000
Timber Support (TTSF)	3,030,000
Reforestation (TTSF)	195,000
Timber Stand Improvement (TTSF)	3,721,000
Timber Management (NFS)	96,344
Brush Disposal (Permanent Appropriation)	55,068
Reforestation/TSI (NFS)	8,716
Road Construction/Reconstruction (TTSF)	14,720,000
Engineering Support (TTSF)	10,600,000
Road Construction (FRP)	1,386,343
Road Mtce. (NFS)	854,514
Land Line Location (NFS)*	309,162
TOTAL:	$46,936,147

* Land Line Location - the National Forests in Alaska have more than 4,000 miles of land line location boundaries to be marked and posted. These include original proclamation boundaries, private land parcels (e.g. HES, Mineral), Native and State land selections and timber sale boundary location. We are unable to break out just timber land line costs from the total of $309,162.

3) Question: How much on fish and wildlife?

Answer: The following expenditures are associated with the Tongass fish and wildlife program for Fiscal Year 1986.

Wildlife and Fish (NFS)	$ 2,176,791
KV Wildlife and Fish (from timber sale receipts)	546,897
TOTAL: * *	$ 2,723,688

* * Tongass Timber Supply Fund, Timber Support, includes funding to provide resource specialists involvement in development of NEPA analysis, the timber sale position statement, timber sale area design, and monitoring during sale administration to ensure that other resource objectives identified in the environmental analysis are accomplished. Examples of the types of resource specialists involved in the timber program include wildlife and fisheries biologists, landscape architects, hydrologists, soil scientists, and archaeologists. About $500,000 were expended for the fisheries and wildlife support in FY 1986.

4) Question: If S. 708 passed into law as written, and the Forest Service received its entire budget request from the normal appropriations process, would there be any difference in the way the Tongass is managed?

Answer: Not necessarily. The elimination of the permanent Tongass Timber Supply Fund appropriation would not necessarily mean more, or less, funding for the timber program or for any other resource program on the Forest. What the elimination of the permanent appropriation would mean is that the added investments that were designed to offset some of the increased costs of bringing more marginal timber into the timber scheduled for harvest would be subject to annual review by the Congress.

Section 705 -- Exemption from the Section 6(k) of NFMA

1. Question: What would be the effect of removing that exemption should S. 708 pass into law as written?

Answer: In terms of developing the alternatives for the revision of the Tongass Land Management Plan, there would be no effect. The revision will include ~~a~~ NFMA 6(k) suitability analysis. The intent is to develop a wide range of alternatives including at least one that has an Allowable Sale Quantity of 4.5 billion board feet per decade. We envision comparing the 4.5 billion board feet per decade timber supply of ANILCA Section 705(a) against the preferred alternative developed in the revision effort. If the preferred alternative does not provide the 4.5 billion board feet per decade, then the Congress would be notified though the ANILCA Section 706 reporting procedure before implementing the recommended plan.

Wilderness

1) Question: Has the wilderness status of 5.4 million areas in the Tongass adversely affected the timber base in the contract area of the two mills?

Answer: No. Only the Alaska Pulp Company contract was affected by the Wilderness designations in ANILCA. Portions of the South Baranof and West Chichagof-Yakobi Wilderness Areas were within the primary sale area. An estimated 435 MMBF would have been available for harvest from these areas. However, in accordance with ANILCA Section 1315(e) we have provided Alaska Pulp Company with substitute timber "---approximately equal in volume, species, grade, and accessibility---" on Kuiu Island. The Alaska Pulp Company does not agree that Section 1315(e) has been fully implemented, however.

2) Question: Congress designed Section 1315(e) of ANILCA to grant substitute timber of equal or greater value to contract holders affected by wilderness designations. Has the Forest Service granted substitute timber to the pulp mills for wilderness?

Answer: Yes. As discussed in the preceding question, the Forest Service has provided substitute volume in accordance with ANILCA Section 1315(e).

3) Question: How many acres of the designated Wilderness on the Tongass consist of economically valuable timber stands (30,000 board feet per acre or greater)?

Answer: The determination of economically valuable timber is based on a number of factors. These include volume per acre, access, topography and timber quality. An analysis using these factors indicates there are 195,000 acres of economically viable timber within Wilderness and Monument Areas on the Tongass.

4) Question: When Alaska Native corporations received title to approximately 500,000 acres of prime timber lands they selected from the Tongass with the intention of securing a high-value timber base, didn't this have a far greater impact on the timber base than Wilderness designations in ANILCA? Isn't this the real reason that TLMP required additional investment in marginal lands to maintain timber employment?

Answer: Alaska Native Claims Settlement Act (ANSCA) and Wilderness designations were both significant in reducing the Tongass land base available for the production of timber However, the impact of the Wilderness designations was greater. The withdrawal of the Wilderness areas from the land base available for harvest reduced the commercial forest land by over 1.6 million acres. The total Native corportations conveyances to date total 410,300 acres.

The following table illustrates the percentage of commercial forest land (CFL) by volume class for non-wilderness and wilderness and Native conveyances:

MBF/Acre	0-8	8-20	20-30	30-50	50+
Forest Plan Schedule for Rotation	13	43	29	12	3
Wilderness	2	54	32	11	1
Native Selection	5	32	37	19	7

The 410,300 acres of Native conveyances contains a higher percentage of volume in the three higher volume classes than either the Forest Plan Schedule or Wilderness. However, in terms of acres, the Native conveyances have removed 107,000 acres from the higher volume classes while the Wilderness designations removed 195,000.

Contracts

1 Question: When the National Forest Management Act passed and Section 15(b) required the Forest service to amend the 50 year contracts to comply with NFMA, what actions did you think that would require? What actions did you take?

Answer: There is no existing record of what the Forest Service thought would be required to bring the long-term contracts into compliance with Section 15(b). It is safe to assume that different individuals had differing opinions as to the scope and magnitude of needed actions. The following is a listing of actions that have been taken with the original contract clause on the left and the amended clause on the right.

Ketchikan Pulp Company NFMA Changes

All NFMA Modifications made 9/14/79

Section 1(c): Provides guidelines for selection of harvest units, operating area maps and overall operating plan.

Prior to NFMA	After NFMA
1(c). Not less than two years in advance of each 5-year operating period the purchaser shall select logging units for cutting in the ensuing 5-year period. Timber cover and topographic maps of the units selected shall thereupon be submitted to the Regional Forester who may require a substitution for any selected unit if he deems such action necessary to prevent loss of rapidly deteriorating timber killed or damaged by fire, insects or windthrow or to protect other important National Forest interests. The location of the unit boundaries and of the lines of any interspersed patches of low-grade or poorly accessible timber, as drawn by the purchaser to exclude material he considers economically unoperable during the ensuing 5-year period, shall be subject to review and adjustment by the Regional Forester. Not less than one year in advance of each five-year operating period the Regional Forester will notify purchaser of tentative decision on acceptability of units selected for cutting in the ensuing five-year operating period. Should at any time during the life of this agreement, a fire of major proportion, a serious windstorm, extremely damaging insect or disease attacks, or other catastrophe of great moment befall the timber included in this agreement, the Regional Forester may require substitution of the logging units to be cut during the then current 5-year operating period and require the purchaser to readjust his current logging activities for the purpose of salvaging such killed or injured timber.	1(c). Selections will be based on broad "Guidelines for Selection and Harvest" for ensuing period. Guidelines for Selection and Harvest will be prepared by the Forest Service and submitted to purchaser no less than one year prior to the due date for purchasers selection of cutting units. Not less than three years in advance of each 5-year operating period purchaser shall select logging units for cutting in ensuing 5-year period. Maps delineating tentative unit selection and tentative transportation systems shall thereupon be submitted to Regional Forester who may require substitutions for any selected units if he deems such action necessary to prevent loss of rapidly deteriorating timber killed or damaged by fire, insects, or windthrow, or to protect other important National Forest interests. The location of the unit boundaries and of the lines of any interspersed patches of low-grade or poorly accessible timber as drawn by the purchaser to exclude material he considers economically unoperable during the ensuing 5-year period, shall be subject to review and adjustment by Regional Forester. Not less than one year before ensuing period Regional Forester will notify Purchaser of tentative approval of cutting units planned for harvest during the ensuing 5-year operating period. Final approval will include maps showing cutting unit boundaries, transportation systems, volumes and any special logging requirements. Included maps will constitute "Operating Area Maps" for ensuing 5-year operating period. The Purchaser will submit an Overall Operating Plan for the 5-year operating period within sixty (60) days of the receipt by the Purchaser of the

new rates for the ensuing 5-year operating period. Annual Operating Plans will be submitted by January 1, of each year, providing a detailed plan of operations for the following two years. Operating plans are subject to concurrence by Forest Service. Purchaser will be notified of plan acceptance or rejection within 30 days of receipt from Purchaser.

Section 1(f): Provides for reservations of timber for other resource protection consistent with standards and guidelines of applicable land and resource management plans.

Prior to NFMA

1(f). The Regional Forester may reserve from cutting strips and blocks of timber having special scenic value in connection with water courses, recreation sites and highways, or strips or blocks which cannot be logged without causing substantial harm to salmon streams or lakes.

After NFMA (All New Wording)

1(f). Reservations for Other Resource Protection. The Regional Forester may reserve from cutting, strips of timber, blocks of timber and individual trees, consistent with applicable land and resource management plans and environmental quality standards.

Prior to making any decision as to when, where, and the extent to which by volume any such reservation will be made, the Regional Forester shall give fair considration to the dislocative effect such reservation would have upon the purchaser's previously programmed operational plans, to the availability of comparable substitute volumes of timber, and to the purchaser's views with regard to these considerations.

Simultaneously with any such reservation, the Regional Forester shall designate comparable substitute volumes to be made available to the purchaser in exchange for the volumes reserved. The substitute volumes will be made available to purchaser as close in point of time to the effective date of the reservation of timber from purchaser's use as is reasonably possible within the lead-time constraints imposed by the compliance requirements of the National Environmental Policy Act and the applicable implementing regulations under said Act. Substitute volume which cannot be made available to purchaser within the five-year operating cycle in which the reservation is made, will be carried forward and added to the volume entitlement of the purchaser for the next succeeding five-year operating cycle.

In the event of any such reservation by the Regional Forester, either with or without substitution of volumes for the volumes reserved, the Forest Service shall make an appraisal to determine for each species the difference between the appraised value of the remaining timber immediately prior to the reservation and the appraised value of the remaining timber immediately after the reservation. The appraisal data used in establishing the current 5-year rates shall be the basis for these appraisals. Rates in effect at the time of the reservation will be adjusted by the said differences to become the redetermined rates for the remainder of the 5-year period.

Unless otherwise agree, notification by the Regional Forester shall be the effective date for the redetermined rates.

Section 8: Requires Forest Service to issue logging and construction approval notices with detailed requirements before operations begin on individual harvest units and road projects.

Prior to NFMA

8. Logging. As far as may be deemed necessary for the protection of National Forest interests, the plan of logging operations on each of the logging units of this sale area or areas shall be approved by the Forest Officer in charge. When operations are begun on any logging unit, the cutting on that unit shall be completed to the satisfaction of the Forest Officer in charge before the logging equipment is removed from the unit, unless a suspension of operations on and the temporary removal of logging equipment from the unit are authorized in writing: PROVIDED, that such authorization will be granted for suitable periods of time on any area and in any season having conditions which substantially impede or preclude logging operations or when necessary to permit the purchaser to obtain a suitable assortment of log sizes for efficient use of his plant facilities. After decision in writing by the Forest Officer in charge that the purchaser has complied with the contract requirements as to specified units, the purchaser shall not be required to do additional work on such units.

After NFMA

8. Logging. In addition to Annual Operating Plan described in Section 1(c), A Logging/Construction Approval Notice, containing detailed requirements, as far as may be deemed necessary for the protection of National Forest interests, shall be issued in writing by the Forest Officer in Charge prior to logging ooperations and/or road construction on each of the logging units of this sale area or areas. Starting not later than January 1, 1982, the Forest Service will submit Harvest Plans to the Purchaser.

Harvest Plans will consit of completed logging unit layout plans for all units, and road designs for all roads tributary to roads serving each coterminous area. Harvest Plans submitted to the Purchaser will constitute assurance that survey, design, and unit layout are complete. Any change from the Harvest Plan must be by mutual agreement between Purchaser and Forest Service, except as provided for in Section 1(c) of this agreement. Harvest Plans will be submitted to the Purchaser at least ninety (90) days prior to Purchaser's scheduled commencement, as shown in the Annual Operating Plan for road construction and logging operations; PROVIDED that, if the Purchaser proposes a change in the Annual Operating Plan that results in less than one year lead time for survey, design, and unit layout, Forest Service will not be obligated to provide Harvest Plans ninety (90) days prior to the Purchaser's scheduled commencement of road construction for those portions of the Plan that have been revised.

Section 10: Clarifies what erosion control work is to be done.

Prior to NFMA	After NFMA
10. The methods of logging used by the purchaser, including high lead and skidder logging, shall be such as will permit of leaving uninjured the seed trees and groups of seed trees provided for in Section 4 of this agreement. No unnecessary damage shall be done to young growth or to trees left standing. Undesignated trees which are badly damaged in logging shall be cut if required by the Forest Officer in charge. Purchaser's operations shall be conducted reasonably to minimize soil erosion. Equipment shall not be operated when ground conditions are such that excessive damage will result. The kinds and intensity of erosion control work shall be kept current immediately preceding expected seasonal periods of precipitation or runoff.	The kinds and intensity of erosion control work done by Purchaser shall be according to the "Erosion Control Plan" developed as a part of the unit approval for logging and/or road construction as required in Section 8. This plan shall be reviewed and adjusted to meet the needs of ground and weather conditions and the need for controlling runoff, prior to completion of skidding or yarding operations on the unit. Erosion control work shall be kept current immediately preceding expected seasonal periods of precipitation or runoff.

Sections 20A and 20B: Requires precautions to prevent pollution of air and water by purchaser's operations on sale area.

Prior to NFMA	NFMA Changes (All New Wording)
20. The purchaser shall keep all logging camps, mills, and other structures used in connection with this sale and the ground in their vicinity, in a clean sanitary condition, and rubbish shall be removed and burned or buried. When camps or other establishments are moved from one location to another or abandoned, the purchaser shall burn or otherwise effectively dispose of all debris and abandoned structures.	20(a). Purchaser shall take all reasonable precautions to prevent pollution of air and water by Purchaser's Operations. If facilities for employees are established on Sale Area, they shall be operated in a sanitary manner.
All camp buildings and structures used in connection with this sale shall be located and operated as may be required by the Forest Officer in charge to prevent the pollution of the water in any stream. Outhouses, toilets, and garbage pits shall be constructed and maintained so as to prevent, so far as is possible, the breeding of flies or the development of unsanitary conditions.	Refuse resulting from Purchaser's use, servicing, repair or abandonment of equipment shall be removed from National Forest lands or buried at agreedlocations. Purchaser shall not service tractors, trucks or other equipment on National Forest lands where pollution to lakes, streams, or estuaries is likely to occur. (b). Sawdust and other sawmill refuse shall be disposed so that none will enter any lakes, streams, or estuaries.

Section 21a: Adds specific requirements for stream course protection measures during harvest and road construction operations.

Prior to NFMA

21(a) Salmon Protection. Purchaser's operations shall not be permitted to interfere with the passage of salmon to their spawning grounds or to injure the spawning grounds in any way. Any logging debris accidentally or necessarily thrown into any stream used by salmon shall be removed therefrom as soon as practicable and in any event before the logging equipment is moved from that portion of the sale area.

After NFMA (All New Wording)

21(a). Streamcourse Protection

Purchaser's operations shall not be permitted to interfere with the passage of salmonids to their spawning grounds or to injure the spawning grounds or rearing tributaries. These streamcourses, as shown on the Logging/Construction Approval Notice Map, are subject to the following provisions for protection unless otherwise agreed by the Forest Service.

(1) Purchaser's Operations shall be conducted to prevent debris from entering Streamcourses, except as may be authorized under paragraph (4). Prior to operations on any units the Logging/Construction Approval Notice will contain a plan including time schedule for falling included timber in a strip within 200 feet of Streamcourses. At the time agreed in the time schedule, all trees which cannot be felled to avoid falling in Streamcourses shall be left standing until yarding is in progress on the landing to which the trees will be yarded. Each tree shall be yarded from Streamcourses immediately after it is felled. Felled or windfallen trees shall not be bucked or limbed until clear of Streamcourses. Debris in Streamcourses resulting from falling or yarding Included Timber shall be removed immediately to a location above high water mark. In event Purchaser causes debris to enter Streamcourses in amounts which may adversely affect the natural flow of the stream, water quality or fishery resource, Purchaser shall remove such debris as soon as practicable, but not to exceed 48 hours and in an agreed manner that will cause the least disturbance to Streamcourses. Removal may be delayed for circumstances beyond Purchaser's control.

(2) Culverts or bridges shall be required on Temporary Roads at all points where it is necessary to cross Streamcourses. Such facilities shall be of sufficient size and design and installed in a manner to provide unobstructed flow of water and to minimize damage to Streamcourses. Trees or products hauled or yarded across Streamcourses shall be fully suspended, unless acceptable alternatives are developed in the Logging/Construction Approval Notice.

(3) Wheeled or track-laying equipment shall not be operated in Streamcourses except at crossings designated by Forest Service or as essential to construction or removal of culverts and bridges.

(4) Flow in Streamcourses may be temporarily diverted only if such diversion is necessary for Purchaser's planned construction and Forest Service gives written authorization. Diversion courses for any stream to be temporarily diverted shall be located and staked on the ground by Forest Service prior to construction. Such flow shall be restored to the natural course as soon as practicable and in any event prior to a major storm runoff period or runoff season.

Section 21(c): Requires protection of cultural resources.

Prior to NFMA	After NFMA (All New Wording)
None.	21(c) Protection of Cultural Resources Those items which are the subject of protection in the American Antiquities Act of 1906 (16 USC 431-433), National Historic Preservation Act of 1966 (16 USC 470) and Executive Order 11593 (1971) are shown on Operating Area Map and identified on the ground. This contract may be modified by agreement between the parties to protect such items and similar items discovered by the parties during the course of the Purchaser's operations. Discovery of such areas or objects by either party shall be promptly reported to the other party. In the event of a contract modification under this section, purchaser shall be entitled to be reimbursed for its costs expended in the additional protection work required of it by the modification, save that any such extra work or protection required may not be undertaken by purchaser without the prior approval of the Forest Service, and save further that the amount of reimbursement will be as determined by the Forest Service. If purchaser disagrees with the Forest Service's determination of the amount of reimbursement to which purchaser is entitled, purchaser shall be entitled to further pursue its claim for payment under Section 25 of this contract. Unless otherwise agreed in writing, reimbursement to purchaser will be in the form of a reduction in stumpage to the extent only that such stumpage exceeds the Minimum Stumpage Rates. If the amount of reimbursement to which the purchaser is entitled exceeds available stumpage, and if the purchaser and the Forest Service are unable to agree upon the means by which purchaser will be reimbursed for this excess, purchaser shall be entitled to further pursue its claim for payment under Section 25 of this contract. Purchaser shall protect the above-identified items against destruction, obliteration, removal or damage during purchaser's operations. If such damage is negligently or willfully caused by purchaser's operations, purchaser shall bear costs of restoration, provided that such payment shall not relieve purchaser from civil or criminal remedies otherwise provided by law.

Wheeled or track-laying equipment shall not be operated within such area except on roads, landings, tractor roads, or skid trails approved by Forest Service. Unless agreed otherwise, trees will not be felled into such areas. Purchaser may be required to backblade skidtrails and other ground disturbed by Purchaser's Operation within such areas.

Section 26: Clarifies duties of Forest Officer with regard to suspension of operations.

Prior to NFMA	After NFMA (All New Wording)
26. The Regional Forester, or his delegated representative, shall notify the purchaser in writing of any violation of the terms of this agreement on any logging unit or units within the sale area and allow a reasonable and definite period of time to comply with such terms. If satisfactory compliance is not made within the time allowed, the Regional Forester may suspend, by notice in writing or other means of transmitting written messages, all operations, including the removal of scaled or measured timber, on such unit or units, such suspension to continue in effect until the purchaser complies with such terms in a manner satisfactory to the Regional Forester.	(b). Forest Officer in Charge is authorized to suspend by oral notice, so much of Purchaser's operation that is a material breach, which constitutes an immediate threat to human life or a threat of immediate and irreparable damage to National Forest resources. Such oral suspension may be given to Purchaser's work supervisor, or in his absence, to those performing the operation. An oral suspension shall be promptly followed by telephone or radio telephone notice and a written explanation from Forest Officer in Charge to Purchaser. The Forest Supervisor will promptly review the decision of the Forest Officer in Charge.

Alaska Pulp Corporation Contract NFMA Revisions
All modifications are dated 1/4/82.

Section 1c: Provides for reservation of timber for resource protection consistent with standards and guidelines of applicable land and resource management plans.

Prior to NFMA	After NFMA
Section 1c Reservations for Scenic Purposes and Salmonid Protection	Section 1c Reservations for Resource Protection
1. The Forest Service may reserve from cutting strips and blocks of timber that (a) have or may subsequently develop special scenic value in connection with water courses, recreation sites and highways, or (b) cannot be logged without causing substantial harm to salmonid spawning streams or lakes. Insofar as practicable the Forest Service shall specify such reservations in connection with designation of operating areas for each five-year period as specified in Section 7a and shall also similarly specify such reservations for the initial operating area at the time the purchaser prepares his plan of operations specified in Section 7a.	1. The Forest Service may reserve from cutting strips of timber, blocks of timber and individual trees consistent with the standards and guidelines of applicable land and resource management plans. Insofar as practicable the Forest Service shall specify such reservations in connection with designation of operating areas for each 5-year period as specified in Section 7a.

Section 3b1c: Provides for partial cutting where appropriate and as designated by the Forest Service.

Prior to NFMA	After NFMA
c. If the purchaser and Forest Service agree, partial cutting by tree selection may be employed on any logging unit or portion thereof. In this event, the Forest Service will mark or otherwise designate the individual trees or groups of trees to be cut and removed by the purchaser.	c. Partial cutting by tree selection may be employed on any logging unit or portion thereof. In this event, the Forest Service will mark or otherwise designate the individual trees or groups of trees to be cut and removed by the Purchaser.

Section 7a2: Provides for Forest Service determination of cutting areas.

Prior to NFMA	After NFMA
2. In advance of each five-year operating period, as specified in Section 5b, the purchaser and the Forest Service shall jointly determine the areas within which cutting shall be conducted for the ensuing five-year period. Such areas shall be determined under procedures stated in paragraphs 3, 4, and 5 of this section and in accordance with the following specifications, unless the purchaser and the Forest Service agree otherwise:-------.	2. In advance of each five-year operating period, as specified in Section 5b, the Forest Service, with assistance from Purchaser, shall determine the areas within which cutting shall be conducted for the ensuing five-year period. Such areas shall be determined under procedures stated in paragraphs 3, 4, and 5 of this section and in accordance with the following specifications, unless the Purchaser and the Forest Service agree otherwise:--------

Section 7b2: Requires Forest Service to issue logging and construction approval notices with detailed requirements for operation before logging or construction begins.

Prior to NFMA	After NFMA (All New Wording)
2. Before logging operations are begun on any unit, the purchaser may advise with the Forest Service in determination on the ground of the exterior boundaries of such cutting areas.	2. In addition to Annual Operating Plan described in Section 7b-1, a logging/construction approval notice, containing the detailed requirements for resource protection called for by other sections of this contract, shall be issued in writing by the Forest Service prior to logging operations and/or road construction on each of the logging units of this sale.

Section 7e3: Requires protection of non-fish streams tributary to fish streams or salmonid rearing areas

Prior to NFMA	After NFMA (All New Wording)
None.	3. Non-fish streams identified by the Forest Service as having reasonable assurance of impacting downstream salmonid spawning grounds or rearing tributaries shall be subject to the following protection measures. Yarding of large channel debris and hand removal of small chunks and limbs; unless these measures are waived in the Logging/Construction Approval Notice.

Section 7f1: Clarifies erosion control methods.

Prior to NFMA	NFMA Changes
1. Purchaser agrees in the conduct of his operation under this contract to observe all practicable precautions for the purpose of minimizing soil erosion and damage to soil.	1. Purchaser agrees in the conduct of his operation under this contract to observe all practicable precautions for the purpose of minimizing soil erosion and damage to soil. Purchaser shall revegetate areas bared by Purchaser's operation by seeding or planting with grass, shrubs, or alder as recommended and designated by the Forest Service. Revegetation work may include fertilizing and mulching. Erosion control work shall be kept current immediately preceding expected seasonal periods of precipitation or runoff. If Purchaser fails to do seasonal erosion control work prior to any seasonal period of precipitation or runoff, Forest Service may temporarily assume responsibility for the work and any unencumbered deposits hereunder may be used by Forest Service to do the work. If needed for such work, Purchaser shall make additional deposits on request by the Forest Service. Any money deposited or used for this purpose shall be treated as cooperative deposits under Section 4b of this contract.

2. Question: Are these 50 year contracts a standard Forest Service timber contract? How do they differ from a short-term Tongass logging contract? Would short-term competitive sales give you more management flexibility than these long-term contracts?

Answer: The 50 year contracts are unique to Alaska and were designed to establish a timber industry that would use both the material that could be sawn into wood products and the lower valued material that did not contain enough sound material from which sawn wood products could be made.

There are four general areas of differences between long-tern and short-tern sales. These differences are in physical plants, operational flexibility, monetary returns to the Treasury, and some of the specific contractual requirements.

The most obvious way that the long-term contracts are different than the short-term contracts is that the long-term operators were required to build and operate a pulpmill and/or sawmill. The short-term contracts require primary manufacture of the timber harvested, unless the primary manufacture requirement is waived for specific reasons such as salvage of timber. However, the short-term operators are not required to make the large capital investment to provide processing facilities.

Operational flexibility relates to the requirement to prepare and release for harvest an annual average of approximately 300 million board feet of timber. While this is technically a control or limitation on Forest Service management flexibility, its effect is more apparent than real. The Federal Government has a long and continuing history of supporting economic stability in Southeast Alaska--one part of which is a healthy timber industry. The timber volume provided under the long-term contracts is an important part of that economic stability and is limiting only to the extent that the Federal Government may want greater flexibility in the scheduling of harvest areas.

The long-term purchases have sales areas from which they propose units to be harvested. The proposals are than evaluated, along with other alternatives, through the NEPA process and those cutting units for the next 5-year operating period are approved that best meet the overall multiple-use management objectives for the area being considered. Beyond this, the Forest Service management practices in terms of environmental protection and multiple use coordination are virtually the same on the long-term sales as for the short-term sales.

A difference between the long-term and short-term is that the long-term purchaser has more latitude in whether to harvest the timber selected to be cut in a given period. For example, during poor market periods, log production may be reduced and later increased as markets improve. However, this ability is constrained by minimum and maximum harvest provisions in the contracts. The rationale for this provision in the original long-term contracts was the extreme difficulty and high risk associated with trying to predict market conditions over half a century. On the other hand, the provisions of the contract dealing with minimum and maximum harvest levels during each operating period were insisted on by the Government to insure that the primary objective of the contracts--economic stability--would not be thwarted by major fluctuations in the market.

Short-term purchasers have the choice of buying or not buying new sales. If bought, purchasers must harvest the timber during the contract period unless the sale is extended after established criteria are met. In monetary terms, the appraisal process is identical for both the long-term sales and the short-term sales. However, applying this identical appraisal process to a long-term sale and to a short-term sale volume can yield very different results. To illustrate, the rate for one of the long-term sales in Alaska is currently at $1.48 per thousand board feet with the rate for the other at $2.12 per thousand board feet. This is what we term "base"--the minimum amount that we are required by law to collect for the sale of National Forest timber. The current minimum acceptable bid for short-term sales is $6.00 per thousand board feet for spruce and $1.00 per thousand board feet for hemlock.

The reasons for the differences are many and complex. They include such factors as timber quality, accessibility, required logging methods, species mix and capital investment requirements such as purchaser constructed roads.

For any particular point in time, appraisal of timber for the long-term contracts or for short-term sales will yield identical values so long as each has identical physical characteristics and capital requirements. However, a very real difference betwen the price paid under the respective contract forms can be introduced by what is termed a "bid premium." Bid premiums are a result of competition among bidders for the short-term sale offerings. There is no comparable feature in the 5-year operating period for the long-term sales since the contract was awarded, after competitive procedures, in the 1950's.

Long-term sales and short-term sales also differ in that long-term sales have rate redeterminations for each 5-year operating period. The long-term purchaser, if dissatisfied with the result, may request a review by a three-person appeal board. Established rates must be paid during the appeal process.

The short-term purchaser has no right of review in the appraisal process prior to the rates being established. Rights of short-term purchasers are through the formal appeals process. Of course, prospective purchasers of short-term sales always have the right, not available to the long-term purchaser, of simply not bidding on a sale.

Another monetary difference is that long-term sales, with certain limitations, generally have a longer period to pay for stumpage using purchaser credits that are earned for specified road construction.

In terms of differences attributed to contractual requirements, the long-term contracts may not be modified without the purchasers agreement except in a specified number of sections or when authorized under the National Forest Management Act of 1976. Most new requirements must be negotiated with the purchaser. When a short-term sale is offered the contract reflects the most current requirements. The prospective purchaser must either accept the new requirements or not buy the sale.

In terms of on-the-ground activity or administration of sales, there is essentially no difference between the long-term and short-term contracts.

Therefore, there is little actual flexibility that could be gained from having a timber sales program entirely made up of short-term sales except for the base level of timber of approximately 300 million board feet of timber per year that is to be prepared and released to the long-term operators.

3. Question: Can you please summarize the findings of the Reid Brothers court case?

Answer In March 1975, Reid Brothers Logging Company filed a civil antitrust suit against Ketchikan Pulp Company (KPC, also referred to as Louisiana Pacific-Ketchikan or LPK) and Alaska Lumber and Pulp Company (ALP, now Alaska Pulp Company, "APC"). Subsequently, Pentilla Logging Company, Reid Timber Company, Southeast Cedar Products, and Herring Bay Lumber Company all filed similar suits.

The trial for the Reid Brothers Logging Company lawsuit was held in 1980. The Federal District Court, Western District, Washington, found both defendants had violated Federal antitrust law by:

1) Refusing to compete against each other for timber,
2) Engaging in preclusive bidding and other means to keep outside mills from establishing competitive facilities, and
3) Other actions in violation of civil antitrust statutes, occurring up to March 1975.

On March 1, 1983, the Ninth Circuit Court upheld the District Court's findings, and the case was concluded in October 1983 when the Supreme Court declined to hear the appeal. The other four plaintiffs also received settlements.

The review of the issues by the Criminal, Civil and Antitrust Division of the Department of Justice was concluded in April 1984. The Department decided against filing additional antitrust lawsuits against the two companies on the basis of insufficient evidence of legal violations occurring since March 1975 to warrant further action. In July 1984, the Department of Justice authorized the Department of Agriculture to collect damages premised upon Reid Brothers antitrust claims from Ketchikan Pulp Company or Alaska Pulp Company, according to the Debt Collection Act and implementing regulation requirements. In October 1984, the Department of Justice asserted offset counterclaims against Ketchikan Pulp Company, totalling $14.2 million, in a lawsuit initiated by Ketchikan Pulp Company against the government in January 1984. This included $9.4 million in damages attributable to alleged collusive/preclusive bidding and $4.8 million in damages attributable to an alleged artificial pond log pricing scheme conducted by Ketchikan Pulp Company in the 1960's. In February 1985, after publication of interim USDA regulations implementing the Debt Collection Act, the Forest Service presented "Claim Demand Notices" to both the Ketchikan Pulp Company and the Alaska Pulp Company, showing intent to collect by administrative offset damages related to Reid Brothers collusive/preclusive bidding claims totalling $9,438,076 plus interest.

A settlement agreement and stipulation for dismissal between Ketchikan Pulp Company and the Forest Service was reached on July 26, 1986. Both parties agreed to dismiss with prejudice various claims arising in the Ketchikan Pulp Company vs US lawsuit. The Ketchikan Pulp Company long-term contract was amended to include utility log volumes as part of the contract volume, to provide for upward rate escalations and to provide for the earning of purchaser credit when stumpage rates were at base. In addition, Ketchikan Pulp Company signed a promissory note for $1 million, payable by July 15, 1996.

On January 30, 1987, the Forest Servce Reviewing Officer, issued a decision upon completion of his administrative review of the Claim/Demand Notice filed against Alaska Pulp Company. He determined that a debt existed and that collection of the claim by administrative offset was appropriate. He also determined that the debt owed, after the Ketchikan Pulp Company settlement, was $8,747,120 plus interest and other costs.

Alaska Pulp Corporation has challenged the collection action in Federal District Court in Alaska. That case remains in litigation at present.

4. Question: The Forest Service assembled the Reid Brothers Review Team in 1981 to study the anti-competitive nature of the 50-year contracts. What modifications to the contracts did the team recommend? Have all of these modifications been carried out?

Answer: After review of testimony, exhibits, and the Findings of Fact in the District Courts' decision filed June 8, 1981 in the "Reid Brothers" case, a Forest Service Review Team developed 31 recommended actions for the Forest Service to consider. The following is a discussion of the follow-up actions subsequently taken by the Forest Service.

1. RECOMMENDATION: Freeze unresolved 5-year rate redeterminations.

A. FOLLOWUP ACTION: Alaska Pulp Company 1976-1981 rate redetermination. No rate increase has been justified.

B. FOLLOWUP ACTION: ALaska Pulp Company 1981-1986 rate redetermination. Rates were establised with the provision that:

> "The Forest Service reserves the right to modify these rates if our investigation in the Reid Brothers Logging Company versus Ketchikan Pulp Company and Alaska Lumber and Pulp Company lawsuit indicates an adjustment is justified"(Letter of April 30, 1982).

Subsequently, the Alaska Pulp Company requested an emergency rate redetermination in June 1982. After determining they qualified, this request was granted. The revised rates were established on May 6, 1983, retroactive to July 1, 1982. No adjustment has been justified.

C. FOLLOWUP ACTION: Ketchikan Pulp Company 1979-1984 rate redetermination. Ketchikan Pulp Company appealed these rates November 14, 1979. Subsequently, in November 1981, Ketchikan Pulp Company asked for an emergency rate redetermination. After determining they qualified their request was granted. On JulY 7, 1982, rates were adjusted retroactive to December 1, 1981. Lousiana Pacific-Ketchikan then dropped that portion of their appeal relating to rates in August 1982 and changed one of their critical issues in their appeal of some contract revisions. The rates resulting from the emergency rate redetermination were established with provision identical to that in Item 1B. No adujustment has been justified.

D. FOLLOWUP ACTION: Pacific Northern Timber Company 1977-1981 rate redetermination. This rate redetermination is still under appeal. A hearing before the Contract Board of Appeals was held by the Board on June 15-17, 1983 in Juneau. No decision has been rendered.

E. FOLLOWUP ACTION: Perenosa Timber Sale 1973 and 1978 rate redetermination appeals. The sale has been terminated and the appeals have been dropped.

2. RECOMMENDATION: Defer closing of current year cost collection.

FOLLOWUP ACTION: The cost collection process closed after recommendation number three was completed.

3. RECOMMENDATION: Initiate extensive audit of Ketchikan Pulp Company and Alaska Lumber and Pulp Company accounting systems.

FOLLOWUP ACTION: This action was taken for the purpose of testing reliability of cost data and determining the acceptability of end product values. The action was composed of two parts:

(1) Survey and analysis of Ketchikan Pulp Company and Alaska Lumber and Pulp Company domestic records including LP home office accounts.

(2) Survey and analysis of Alaska Pulp Company (APC) located in Tokyo, Japan. Alaska Pulp Company is the parent corporation of Alaska Lumber and Pulp Company.

This work was initiated in late fall of 1981 and completed in the spring of 1982.

4. RECOMMENDATION: Requesting Office of Inspector General and General Accounting Office to re-examine R-10 cost collection program to re-evaluate their previous findings.

FOLLOWUP ACTION: Prior Office of Inspector General and General Accounting Office recommendations have been incorporated in the cost collection process. Our internal audits did not indicate a further re-examination would be productive.

5. RECOMMENDATION: Determine damages and/or penalties due the Government.

FOLLOWUP ACTION: A preliminary report on potential damages was developed in October 1981. This report was reviewed by Al Wiener in the spring of 1982. A plan for collection of damages was drafted and submitted for comments to the Department of Justice in late 1982. Revision of this plan continued into early 1983. Other areas of damage generated requests for additional information from the Civil Division--Department of Justice. Refinement of damages continued through 1984. A separate damage calculation on collusive bidding was completed February 1, 1985. This was further supplemented in February 1986.

6. RECOMMENDATION: Notify Internal Revenue Service, Alaska Attorney General, and the Alaska Department of Revenue of findings.

FOLLOWUP ACTION: Contact has been maintained with both State and Federal agencies. The Federal Internal Revenue Service requested a copy of the Alaska Pulp Company Validation Report to assist them in their cases against Alaska Lumber and Pulp Company. This report contained confidential information obtained in our cost collection program for appraisals and the Forest Service could not release the information without permission from the companies involved. This permission was not granted so the Internal Revenue Service request had to be denied.

7. RECOMMENDATION: Determine if duplicate invoicing scheme is a breach of contract.

FOLLOWUP ACTION: An audit by a certified public accountant firm hired by Alaska Lumber and Pulp Company in late 1981 certified that the Forest Service published the correct values for one of the years when dual cedar invoices were being used by the two companies. Another possible cedar invoicing problem was found. Further investigation was needed before determining if it could be substantiated. No further substantiating evidence was found in the April 1985 review of discovery documents.

8. RECOMMENDATION: Refer to Department of Justice if Forest Service was misled by the cedar log invoicing scheme.

FOLLOWUP ACTION: The Department of Justice was given the case file on the dual invoice issue and was provided a copy of the audit discussed in seven. The Department of Justice was provided a discussion of the other cedar log pricing issue as a part of the reponse to their request on March 10, 1983 for more information on specific damage claims. No further substantiating evidence has been found.

9. RECOMMENDATION: Determine if artifical log pricing is a breach of contract.

FOLLOWUP ACTION: This subject was explored by the Department of Justice. Additional information was provided in our reponse to their request of March 10, 1983. A counterclaim in a suit filed by Ketchikan Pulp Company was made by the Department of Justice in 1/84 relating to this recommendation.

10. RECOMMENDATION: Notify Ketchikan Pulp Company and Alaska Lumber and Pulp Company to preserve records covered under the inspection of Records clauses of their contract.

FOLLOWUP ACTION: Letters were sent in 1981 which notified each company. A review of the discovery documents was completed in April 1985.

11. RECOMMENDATION: Initiate action to deny award of new sales to Ketchikan Pulp Company or Alaska Lumber and Pulp Company.

FOLLOWUP ACTION: The Chief provided direction to review award on sales on which Alaska Lumber and Pulp Company or Lousiana Pacific-Ketchikan are the bidders. Any sale on which Alaska Lumber and Pulp Company or Lousiana Pacific-Ketchikan is high bidder is to be refered to the Chief for review prior to award. This direction remains in effect.

12. RECOMMENDATION: Implement sealed bid procedures on all new sales.

FOLLOWUP ACTION: The chief has authorized the Regional Forester to use sealed bid procedures on all sales since July 1981. This procedure was placed in effect and will be used for the foreseeable future. We will continue to monitor bidding patterns to determine future needs.

13. RECOMMENDATION: Develop bid pattern analysis procedure for Region 10.

FOLLOWUP ACTION: A formal system to monitor timber sale bidding as described in FSM 2431.73 has been completed for the Region. There has been a limited number of sales sold in the last 2 years which provides little basis for developing bidding patterns. The bid monitoring system in effect should suffice until there is increased activity in bidding as the market improves. A continued limiting number of sales with no bidding activity from Lousiana Pacific-Ketchikan and Alaska Pulp Company still provides little basis for analysis.

14. RECOMMENDATION: Report abrupt changes in bid patterns on Small Business Association sales 1978-80.

FOLLOWUP ACTION: The OGC letter to Department of Justice of November 27, 1981 and May 23, 1983, indicated to Department of Justice that the bidding activities ocurring since mid-1975 were reason for serious concern covers the 1979-80-81 bid patterns of the: Small Business Association puchasers. The Department of Justice concluded in May 1984 that no bidding irregularities of sufficient magnitude as to warrant legal action had occurred since 1975.

15. RECOMMENDATION: Review exsisting Forest Service policy on bid analysis and identification of illegal bidding activities.

FOLLOWUP ACTION: FSM 2431.73(3) requires that irregular bidding actions be reported. This is in addition to unusual patterns detected by monitoring system mentioned in Item 13. The unusual patterns being looked for include preclusive and predatory bidding patterns. This action is continuing.

16. RECOMMENDATION: Develop policy to handle sales boycotts.

FOLLOWUP ACTION: Since no boycotts have ocurred since the recommendation was made, action on items needing immediate attention was given higher priority. This recommendation remains to be accomplished. The current poor market conditions hace resulted in a number of sales not being sold. However, since these sales were offered at base rates, it is highly unlikely that any boycott is ocurring.

17. RECOMMENDATIONS: Initiate review of Panhandle Logging and affiliates for additional violations of Ececutive Order 11246.

FOLLOWUP ACTION: Case File C-6-5 submitted to Department of Justice November 1981.

18. RECOMMENDATION: Refer Panhandle Equal Employment Opportunities Commission report case to the Department of Labor for consideration of debarment.

FOLLOWUP ACTION: Although they are still listed as a company, they have not bid on sales for several years and are not active in the industry.

19. RECOMMENDATION: Refer case to Department of Justice for consideration of criminal action.

FOLLOWUP ACTION: Formally referred November 1982. The Criminal Division declined to take action April 1983.

20. RECOMMENDATION: Refer case to Department of Justice for consideration of civil action.

FOLLOWUP ACTION: Formally referred November 1982. The Civil Division reviewed the issues. Department of Justice in 7/84 letter authorized USDA to take action as demand appropriate to collect antitrust damages. Department of Justice Civil filed counterclaims against Ketchikan Pulp Company in Ketchikan Pulp Company v. U.S. litigation in October 1984.

21. RECOMMENDATION: Take debarment action against Ketchikan Pulp Company and Alaska Lumber and Pulp Company and their affiliates.

FOLLOWUP ACTION: In August 1983, Department of Justice advised no debarment action until completion of Department of Justice investigation. Department of Justice conclusion in April 1984 that no evidence of antitrust law violations since 1975 probably precludes debarment as an option.

22. RECOMMENDATION: Investigate the log disposal on the Island Small Business Administrarion sale.

FOLLOWUP ACTION: Alaska Timber Corporation was found to have sold excess of 50 percent of the saw timber volume on this sale to large business. Since the violation did not appear to be willful; and there were no prior similar violations, the company was notified that they were in violation, but debarment action was not deemed appropriate in this case.

23. RECOMMENDATION: Establish a log disposal monitoring program for Small Business Administration set-aside sales.

FOLLOWUP ACTION: We are monitoring the logs to the scaling point and are considering further improvements in monitoring accountability.

24. RECOMMENDATION: Develop monitoring program for certified small business firms.

FOLLOWUP ACTION: This is being analyzed to determine whether it is an appropriate Forest Service function or is adequately covered by existing :Small Business Administration regulations.

25. RECOMMENDATION: Review wording on Small Business Administration 723.

FOLLOWUP ACTION: A proposal was submitted to the local :Small Business Administration epresentative in Seattle on April 21, 1982.

26. RECOMMENDATION: Determine if a sawmill/chipmill qualifies as a manufacturing plant for determination of Small Business Administration shares.

FOLLOWUP ACTION: A sawmill/chipmill was determined to qualify as a manufacturing plant.

27. RECOMMENDATION: Require changes in log disposal pattern due to loss of certification as a Small Business.

FOLLOWUP ACTION: The only loss of certification was Mitkof Lumber Company. The period was short, about a week, and there was no opportunity to establish a log disposal pattern. Other companies were recertified.

28. RECOMMENDATION: Initiate legal action due to falsification of :Small Business Administration self-certification.

FOLLOWUP ACTION: Mitkof Lumber Company claimed their self-certification action was an honest mistake and the Small Business Administration agreed with the company's position. Other companies were recertified by Small Business Administration.

29. RECOMMENDATION: Rescind award of Gilbert Bay set-aside sale if purchaser is not certified as a Small Business.

FOLLOWUP ACTION: The purchaser was certified by Small Business Administration as a qualified Small Business.

30. RECOMMENDATION: Require an analysis of financial ability on future sales prior to award.

FOLLOWUP ACTION: The Forest Service requires a financial statement from purchasers who have not dealt with the Forest service before or when there is a reason to question their financial situation. After considering the Schnabel Lumber Co. status, a letter of instruction was sent to the Forest Supervisors on October 2, 1981, requiring a financial statement from the company prior to the award of any timber sale.

31. RECOMMENDATION: Default on Gilbert Bay sale would require suspension of bidding.

FOLLOWUP ACTION: The purchaser has defaulted. The purchaser will not be eligible to bid on the reoffering. Further, the purchaser will not awarded any future timber sales until the purchaser has provided adequate proof of financial ability to purchase and operate a timber sale. The purchaser has gone out of business.

5) Question: The Alaska Pulp Corporation has filed a damage claim of $83 million claiming a breach of their 50-year contract. Could you explain APC's suit?

Answer: The Alaska Pulp Company alleges that the Forest Service, during the 1981-85 Operating Period, breached the contract by:

1) Disregarding the contractual provisions which govern the selection of timber for harvest;

2) Failing to establish rates which were equitable and competitive;

3) Failing to provide economic timber;

4) Excluding from harvesting timber volume in excess of what the contract allows;

5) Reserving more timber than the Tongass Land Management Plan (TLMP) authorized;

6) Using an aberrationally high selling value for Alaska-cedar in the appraisal; and,

7) Unilaterally imposing contract requirements to reflect the Forest Plan without providing statutorily mandated compensation.

A copy of their Claim is enclosed.

6) Question: Why can't or shouldn't these mills be put on an equal footing with all other purchasers of national forest timber sales? What is the policy justification for continuing to afford them the advantages contained in the contracts?

Answer: As originally envisioned, there would have been 4-5 mills in Southeast Alaska. The long-term sales were a method of providing an incentive for the timber industry to become established in the region. The concept of the long-term sales was derived after consideration of the relatively high development costs, the distance from potential markets for the products, and the amount of timber from which sawn forest products could not be produced due to the high percentage of deflect in the harvested material. As a part of the two remaining long-term contracts the purchasers constructed processing facilities in Ketchikan and Sitka. Only the puchasers of the long-term contracts have been required by their contracts to invest in major processing facilities.

The holders of these contracts have a legally binding agreement with the Federal Government. In addition, the mills continue to be a mainstay in providing year around employment and economic stability in Southeast Alaska.

Community Stability, Fishing and Tourism, Subsistence

1. Question: Most of the Forest Service's program on the Tongass seems aimed at promoting timber industry employment. In terms of jobs, what are the top five employment categories in Southeast Alaska?

Answer: The promotion of timber industry employment was the heart of Section 705(a). However, the Tongass is being managed as planned and scheduled in the

Forest Plan and, as such, includes emphasis on all resource opportunities. With this management, the Forest Service contributes to the economic development of Southeast Alaska in a diversified way through the use and management of the fisheries, tourism/recreation, minerals and timber programs.

The top five employment categories for 1986 in Southeast Alaska are displayed in the table below.

Category	Direct		Indirect/Induced		Total	
	Employment	Earnings MM$	Employment	Earnings MM$	Employment	Earnings MM$
State and Federal Government	12,168	374.7	4,783	121.3	16,951	496.0
Tourism/Recreation	3,446	49.7	896	21.4	4,342	71.0
Lumber and Wood Products	2,400	75.4	775	11.2	3,175	86.6
Fish Harvesting/ Processing	2,525	63.4	532	16.5	3057	79.9
Mining 1/	41	2.7	100	7.7	141	10.4

1/ For 1985, last year available from State of Alaska, Department of Labor.

For the period 1980-1986, the following chart shows annual average total employment and earnings for all these sectors, except mining:

Sector	Total Employment	Total Earning (dollars in millions)
Fishing	3,607	85.3
Timber	3,176	101.0
Tourism/Recreation	3,738	63.9
Government (Federal/State/Local)	16,971	485.8

2. Question: In southeast Alaska, timber jobs, tourism jobs, and fishing jobs all rely on the same resource base. Why does the Forest Service invest so much of our money to maintain timber jobs.

Answer: In order to insure that the developmental activities related to road construction and timber harvest are conducted in a sound and professional manner, the Forest Service believes it is essential to properly fund and staff the timber program. Also, the investment for timber jobs may not be as great as it seems. There are other factors that must be considered when comparing the investments in the three natural resource based industries.

Apoproximately two-thirds of the Tongass Timber Supply Fund is used to prepare and administer timber sales for the sale program in the timber base available prior to the completion of the Tongass Forest Plan. The remaining one-third of the Fund is for added investments designed to offset some of the costs of bringing marginal timber into the timber program base scheduled for harvestd as a result of ANILCA wilderness designations . Based on the original Forest Plan analysis, 338 MMBF of the annual average timber supply was from the normal timber program. The remaining 112 MMBF of the annual average was to come from the marginal timber. Therefore, about one-third of the cost is to bring economically marginal lands into the timber base to offset volume no longer available due to the desire to create wilderness, manage areas for primitive non-motorized recreation, and provide for more amenity values in portions of the area available for timber harvest.

Also, when looking at the costs of maintaining natural resource based jobs in Southeast Alaska, it is necessary to look at the total State and Federal funding provided to each industry. For instance, the Alaska Region of the Forest Service has the largest fisheries enhancement program of any in the Forest Service. The State also provides fish hatcheries for salmon and funding to help in marketing the fish caught in Alaskan waters. The National Marine Fisheries Service provides an active research program to support the commercial fishing industry and monitors fish catches by foreign fishing fleets. The Alaska Region of the Forest Service has an active program for interpreting the forest environment for visitors to Alaska. The program provides personnel to the State Marine Highway ferries and training to several major tour companies operating in Southeast Alaska. The State also provides funds to promote tourism in Alaska.

The efforts to assist in maintaining employment in the timber industry is more obvious because funding is concentrated in the Tongass Timber Supply Fund. The other industries also receive some level of assistance, but the costs are spread over several sources.

3. Question: The subsistence "economy" of Southeast Alaska seems to be very important to the local residents. Are they generally satisfied with your management of the wildlife and fish habitat on which their subsistence resources depend? What are you doing on the Tongass to enhance and protect subsistence opportunities?

Answer: A number of indicators suggest that some residents are increasingly concerned about the continued viability of subsistence opportunities in southeast Alaska. These indicators include 1) the proportion of administrative appeals and lawsuits that include subsistence as one of the items under dispute; 2) information contained in recent studies of resource use which suggest dissatisfaction with and concern over management of subsistence resources; 3) information provided through public involvement and other means, such as newspaper articles, letters to editors, resolutions by the Regional Fish and Game Advisory Council, and comments on forest planning documents; and, 4) the formation of new grass-roots political organizations in southeast Alaska to represent subsistence values.

Many of these fears may be unfounded, however, since available data on resource harvesting indicate that southeast Alaskan residents continue to harvest fish and wildlife resources in numbers sufficient to meet their subsistence needs. For example, Sitka black-tailed deer exist in such abundance in certain areas of southeast Alaska such that the Alaska Board of Game recently raised the bag limit on deer from four to six, and it extended the deer-hunting season. This suggests that concern about resource depletion may be misplaced in many cases. The concern may be more centered on a change in rural lifestyles due to increasing numbers of people and a changing environment. In those instances where residents are not harvesting as much as they would like to, decreasing harvest may be due to such factors as regulation and competition from non-residents rather than timber harvesting. Finally, even those people who acknowledge that current population levels of subsistence resources are sufficient to meet subsistence needs are concerned over the cumulative, long-term impacts of timber harvesting and road building on subsistence species. More long-term research and management attention will be required to determine whether these concerns are valid and to mitigate those effects where they might occur.

The Forest Service continues to adhere to the process contained in Section 810 of ANILCA for evaluating effects of management activities on subsistence. The Forest Service has engaged in numerous efforts to protect subsistence opportunities, for instance the Forest Service has: 1) engaged in a cooperative subsistence research program with the Alaska Department of Fish and Game; 2) developed procedural direction consistent with guidelines developed by the Alaska Land Use Council for identifying potential effects on subsistence resulting from resource management activities; and, 3) incorporated measures for identifying significant effects of forest management activities on subsistence into its ongoing NEPA process for both the Forest Plan revision and for project implementation under the current Forest Plan.

4. Question: Has the Forest Service ever conducted a study to determine what would happen to employment in Southeast Alaska if one or both pulp mills shut down? What did the study say?

Answer: Yes, the Pacific Northwest Forest and Range Experiment Station completed such a study in 1985. A copy of the report is enclosed. The study showed that an increase of $105 million in tourism would offset the loss of the pulp mills.

Several points need to be made concerning the study. The study did not deal with localized impacts from the pulpmill closure. The $105 million increase was Alaska-wide. Closure of the pulpmills would have direct impacts on Sitka and Ketchikan where over 800 jobs would be lost and 25 percent of each community's property tax base would be lost. Also, while the overall economic benefits would be offset, the flow of the benefits would be different. The pulpmills are a principal component of the year-around employment provided by the timber industry. The tourism industry is seasonal with the season running from May through September. Finally, the report does not deal with what would be done with the approximately 50 percent of the timber harvested from the Tongass that is not of sufficient quality to be made in sawn timber products. Without the pulpmills, it will be necessary to develop alternative processes to use the low quality material that must be removed from the harvest sites.

Questions about Wildlife and Fisheries Resources

1. Question: Recent biological research by the Alaska Department of Fish and Game, the Forest Service, and others indicates that there will in all likelihood be significant reductions in populations of Sitka black-tailed deer on the Tongass over the term of the timber rotation. Do you generally agree with the conclusions of this research?

Answer: We do not agree with estimates by some that populations of Sitka black-tailed deer will undergo reductions of 70 to 80 percent in some areas because of timber harvest during the first timber rotation. A reduction in habitat capability for deer will occur in some areas with the harvest of a portion of the old-growth stands. However, sufficient old-growth habitat will be available for Sitka black-tailed deer to meet population demand. At the end of the first rotation approximately 69% of the deer winter range identified in the Tongass Forest Plan will remain. It does not seem reasonable that a modification of 31% of the winter range will result in a loss of 70-80% of the deer population.

Over the past 6 years hunting seasons and bag limits for deer have remained constant or slightly increased. The number of deer estimated harvested in Southeast Alaska has steadily increased from about 4,800 deer in 1980 to about 15,000 deer in 1986. While this increase can be attributed to several factors, including more hunters; improved hunter survey and harvest estimation techniques; and, increasing deer populations from favorable over-winter survival; it is also indicative of existing habitat conditions on the Tongass.

2. Question: Has logging adversely affected the salmon runs in Southeast Alaska over the last ten years?

Answer: Southeast Alaska salmon fishermen have recorded large harvests of salmon in recent years, with a record catch of 59.9 million salmon in 1985. The preliminary harvest figure for 1986 is 53.8 million salmon. The 15.8 million salmon harvested in Southeast Alaska in 1987 was considerably below the expected take of 34.6 million salmon, primarily due to a failure of the pink salmon runs. Poor egg survival due to early freezing conditions in November of 1985 and poor ocean survival are believed to be the cause of the region-wide failure of pink salmon return in 1987.

Although several research papers indicate that no clear relationship can be confirmed between timber harvest and salmon peak escapements/catch alone, the catch records over the past 10 years suggest the fish habitat on the Tongass continues to be very productive. This conclusion seems reasonable considering the concerted efforts on the Tongass to effectively manage fish habitat. The catch records for Southeast Alaska since 1976 are included for information.

	Total Southeast Alaska Commercial Salmon Catch (millions of fish)
1976	8.0
1977	16.9
1978	25.0
1979	14.6
1980	18.7
1981	22.6
1982	28.8
1983	40.4
1984	32.2
1985	59.9
1986	53.8*
1987	15.8*(1)

Source: Alaska Department of Fish and Game

* Preliminary data

(1) Poor adult salmon returns are thought to be due to harsh winter icing conditions in 1985 and reduced ocean survival.

3. Question: In 1987, in southern Southeast Alaska there was a tremendous reduction in the size of the pink salmon run which resulted in great losses to the seine fleet, a declaration of economic disaster in Ketchikan, an early closure of the fishery, and spillover effects felt as far away as Washington state. Do you now harbor some concerns about the impacts of logging on fisheries in Southeast Alaska?

Answer: No, the reduction in pink salmon harvests does not seem to be related to the impacts of logging. The 15.8 million salmon harvested in Southeast Alaska in 1987 was considerably below the expected take of 34.6 million salmon, primarily due to a failure of the pink salmon runs. Poor egg survival due to early freezing conditions in November, 1985 and poor ocean survival are believed to be the cause of the Region-wide failure of the pink salmon returns this year.

Research indicates that no long-term damage occurs to spawning streams when the standards and guidelines developed by the Forest Service, Alaska Department of Fish and Game, and the National Marine Fisheries Service, are used. These practices, which are used during the planning of every harvest unit on the Tongass, ensure fish habitat is maintained or enhanced. As a result of fish habitat protection measures and habitat enhancement projects (over 70 major projects since 1980), 7 million pounds of new salmon are eventually expected in the Southeast Alaska fishery annually.

4. Question: Forest Service planning documents rely heavily on mitigation measures to counter the potential negative impacts on fisheries from the Tongass logging program. However, a 1986 report by the Alaska Department of Fish and Game concludes that many of these mitigation measures have never been implemented. Why haven't all of these protective measures been implemented? Does this mean you will not meet TLMP's goal of full protection for fish habitat?

Answer: Mitigation is only one measure to insure proper fisheries management. Land allocations, project prescriptions for activities within riparian habitat, modified treatments for temperature senative streams, and providing for large woody debris are all measures incorporated to ensure that the productivity of fisheries habitat is maintained.

The Forest Service is continually improving the consistency and effectiveness of fish habitat management even though the current program is considered very effective in achieving desired results. Conclusions in the Alaska Department of Fish and Game 1986 report are largely based on evaluation of whether the sampled Environmental Assessments (E.A.'s) contain mention of specific items contained in law, regulations, or direction in the Tongass Land Management Plan. This type of review could be misleading depending on whether specific items associated with a specific project needed to be addressed, as compared to actual issues, concerns, or opportunities identified as pertinent to the proposed project. It appears the assumption was that every item pertaining to fish and wildlife should have been mentioned in each E.A. or a deficiency existed. Another problem with the report is that field validation of observations did not occur and, therefore, an evaluation of significance is not available in the report. Actual field validation of applied management direction on completed projects would have been more indicative of adequacy, had that been possible.

The Tongass Forest Plan anticipated maintaining and enhancing fish production potential over the long-term but acknowledged that there would be some short-term unplanned habitat impacts. Although there are risks to fish habitat from improper harvesting of timber and associated activities, management guidelines and standards are in place on the Tongass National Forest to effectively protect, and in some cases enhance fish habitat through proper timber management activities. These management standards are met through application of special prescriptions in streamside zones and immediate upslope areas, as needed, to ensure risk of any damage is kept to a minimum. An example of habitat enhancement during a timber operation is introduction of large woody debris into selected segments of streams to improve rearing habitat for salmon. Retaining adequate tree and shrub cover adjacent to temperature sensitive streams, and excluding upslope areas with tenuous, and slide prone soils from timber harvest are other examples of measures used to protect fish habitat. Other special practices are applied to associated activities, such as road and bridge construction and installation of culverts. These special practices are contained, as management direction, in the recently completed Alaska Region Aquatic Habitat Management Handbook.

5. Question: A large part of the Tongass timber program involves the construction of roads into previously unroaded country. Does the roading itself pose a significant threat to wildlife species, for example brown (grizzly) bears?

Answer: Disturbance and noise associated with the use of machinery and blasting in the construction of roads may cause wildlife to abandon the immediate area during the construction period (e.g., use of the area by brown bears for denning). However, the presence of roads is rarely a factor, in itself, in the well being of wildlife populations. Construction of roads significantly improves human access to an area and consequently increases subsequent disturbance as well as direct people-caused mortality (especially with brown bears). Measures are taken by the Forest Service to manage and minimize these negative effects. These measures include restricted use and closure of roads following completion of management activities and actions to minimize negative wildlife-human encounters (e.g., the recent interagency agreement addressing solid waste disposal and bears).

6. Question: Does your research prove that second-growth management can replace old-growth habitat in providing for the needs of species like Sitka black-tailed deer?

Answer: Research on the Tongass was not designed to prove that second-growth management can replace old-growth habitat. Nor is the Forest Service management of second-growth stands intended to replace the habitat provided by old-growth forests for Sitka black-tailed deer and other species. Management activities in these stands is implemented to improve their capability to support wildlife over that of unmanaged second-growth stands and are part of an overall management strategy for wildlife habitat.

This strategy includes maintaining selected stands of old-growth as a component of habitat diversity and treatment of selected second-growth stands in an effort to improve on site habitat conditions. These treatments include thinnings, travel corridors for deer, and prescribed burning. The overall mosaic of habitat conditions resulting from these multiple-use practices is designed to maintain the habitat capability and other needs of all wildlife species on the Tongass National Forest in the short- and long-term.

7. Question: It appears that the Forest Service is concentrating logging in the high volume old-growth timber stands over the next forty years? Will this have a disproportionate impact on deer winter range?

Answer: The Forest Service is not concentrating timber management activities in the high volume old-growth timber stands. The Tongass Land Management Plan set goals for the various volume classes for an average year. The table below displays the Plan goals and the actual activity for the period 1980-86.

Volume Class (MBF per Acre)	Plan Goal (Acres)	Sold or Released (Acres)	% of Plan Goal
8-20	4,725	1,241	26%
20-30	6,573	4,674	71%
30-5	4,475	2,636	59%
50+	1,503	912	61%

Clearly, no volume class has exceeded the plan goal. Understandably, during the market downturn, a higher percentage of the more valuable high-volume class 50,000+ stands were sold more than the low volume 8-20,000 stands. But the 20-30,000 board foot/acre stands as well as the 30-50,000 board foot/acre stands were also sold at about the same rate as the most valuable stands. Future timber harvest goals for each volume classes will be determined through revision of the Forest Plan now underway.

Sufficient old-growth habitat that is properly distributed, will occur in areas managed for timber, consistent with selected population objectives for deer and other old-growth associated species. The Forest Service projects that if the current Forest Plan were continued until 2079, about 69% of deer winter range identified in 1979 will still exist. Since the Forest Plan will be revised at least every 15 years, if a greater or lessor amount of deer winter range is needed to meet the overall management objectives of the Tongass, the revised needs can be identified and incorporated into the next Forest Plan revision.

In addition to maintaining selected old-growth stands as a component of habitat diversity, selected second-growth timber stands are treated in an effort to improve on-site habitat conditions for certain wildlife species, such as deer. The management question is not whether to have old-growth or second-growth; it is how much of each and in what arrangement should the distribution occur.

8. Question: In a recent report, the Alaska Department of Fish and Game made the following statement in regard to the mitigation measures identified in TLMP.

"Methods to mitigate habitat losses to wildlife species that utilize old-growth have not been demonstrated, and the non-renewability of old-growth under a 100-year harvest rotation is usually not addressed as a management issue during project-level planning. Many protective measures built into the TLMP have not been widely applied on the Tongass and the TLMP harvest schedule in itself will result in substantial habitat degradation to many wildlife species (FS 1979)".

Do you believe these findings are accurate?

Answer: Procedures for identifying and inventoring old-growth habitats to be maintained have not been consistently developed and applied on all management areas of the Tongass National Forest until the Forest Plan was amended during the winter of 1985-86. This was recognized and evaluated by the Forest Service. Forest-wide procedures were developed and implemented through the amending process and have improved the consistency of application.

Measures to mitigate habitat losses to wildlife species that utilize old-growth include maintaining old-growth habitat that is distributed in a manner to maximize its value to wildlife. Mitigation measures also include treatment of second-growth forests to enhance their value to wildlife. Maintenance of old-growth habitat is an effective component of management strategies associated with ensuring the needs of wildlife dependant on old-growth habitats. Although still in the developmental stages, the Forest Service anticipates that second-growth management will enhance the quality of managed stands over that of unmanaged stands. It is also anticipated that this management component will partially mitigate the losses of habitat associated with harvest of old-growth. These and other components of an overall wildlife habitat management strategies will ensure that established population objectives for wildlife will be attained.

Timber and Economics

1. Question: After the old growth stands on the Tongass have been logged, what kind of timber industry will utilize the second growth timber? Will it be primarily a sawlog industry or a pulp industry?

Answer: The second growth forest will be composed of timber with a higher percentage of sound material, so a greater percentage of this volume would support a sawlog industry. This is no different that what has occurred in other areas of the United States, for instance the Northeast or Southeast. The forest could also continue to support an industry producing other types of timber products, such as pulp, composition board, and flake board. The second growth forest will support either type of industry while the current old-growth forest cannot support an industry based solely on sawlogs, unless the Forest Service is willing to leave approximately half to the volume unused. The Forest Service is studying the long-term demand for the timber from the Tongass in research currently in progress. The results of these studies will be known in time for use in the revision of the Tongass Forest Plan and reporting to Congress in compliance with Section 706 of ANILCA.

2. Question: The two pulp mills claim to be only marginally profitable today. Will they be able to survive on second growth timber without the valuable, old growth sawlogs?

Answer: In the 1985 Timber Supply/Demand report the Forest Service reported that the composition of the current timber industry in Southeast Alaska would have to change to remain viable in the future. As mentioned in the preceding question, the Forest Service has commissioned a series of research studies to obtain a clearer view of the future demands for forest products produced from the Tongass. In the short-term, increased use of custom cutting of dimension lumber; obtaining the capability to produce railroad ties; the closure of a competing mill; the continuing political unrest in South Africa (the location of the largest dissolving pulpmill in the world); the creation of new products using dissolving pulp; and, the increased use of rayon have helped the owners of the pulpmills. Both mills have reported profits for the last half of 1987.

3. Question: The Forest Service has said that the Tongass acts as a residual supplier of timber to the world market, i.e. its products are the last to sell in a rising market and the first to drop out of a falling market. Do you have any reason to believe this will ever change?

Answer: We do not believe there will be a change in the short-term. The longer-term answer will depend on whether a special product or market niche can be identified and filled by the Southeast timber industry. Future demands for forest products by Pacific Rim importing nations is a question that is being researched at the request of the Forest Service. These studies are mentioned in the preceding two questions.

4. Question: Is old growth timber a renewable resource on the Tongass? Is high volume (e.g., 50,000 board feet per acre or more) old growth scarce on the Tongass?

Answer: "Old growth" is not renewable within the context of a normal timber rotation of 80-120 years. To obtain the "old growth" referred in many publications takes several hundred years. Old growth on the Tongass covers a broad spectrum of volumes, age classes, and habitat conditions. The Forest Service does not believe the issue is whether to have old growth or not. The issue is now much old growth should be maintained and how old growth fits into the overall mosaic of the Forest. The Forest Plan is used to describe the mix of forest conditions which are to be achieved during the life of the plan. The Environmental Impact Statement accompanying the Forest Plan forecasts the effects of various management practices into the future to allow consideration of the likely results of various management alternatives over time.

The following table shows the acres of old growth saw timber by volume class for all Land Use Designations (LUDs) available when the Tongass Forest Plan was implemented and that remaining at the end of the current rotation period.

Volume Class MBF	M Acres Initial	M Acres Harvested	Remaining at end of rotation M Acres	Remaining at end of rotation %
8-20	2925.4	747.5	2177.9	74
20-30	1720.8	501.2	1219.6	71
30-50	573.6	213.2	360.4	63
50+	89.3	54.2	35.1	39
Totals	5309.1	1516.1	3793.0	71

The 89,300 acres in the 50,000+ volume class is approximately 1.6 percent of the total productive forest acreage under the definitions used in the Forest Plan. On that basis, high volume (50,000+ MBF/Ac) is relatively scarce within "old growth" stands on the Tongass. That will not be the case with the managed second growth stands. Yield tables indicate that the volume per acre for a timber stand on an average site will approximate 50,000 board feet per acre in managed second growth stands on the Tongass. This is approximately a 50% increase over current volumes found on commercial forest lands which currently average 24,752 board feet/acre.

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A Dynamic Simulation Model for Analyzing the Importance of Forest Resources in Alaska

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Abstract

A dynamic simulation model has been adapted for use in Alaska. It provides a flexible tool for examining the economic consequences of alternative forest resource management policies. The model could be adapted for use elsewhere if an interindustry transaction table is available or can be developed. To demonstrate the model's usefulness, the contribution of the pulp and paper and tourism industries to Alaska's economy is analyzed. A $105 million increase in final demand for goods and services provided by the tourism industry would compensate for the loss of employment and earnings resulting from the closure of Alaska's two pulpmills. Most of the loss would be confined to higher paying technical jobs in two remote locations; the increase in jobs would involve lower paying jobs located throughout the State.

Keywords: Economic importance (forests), models, simulation, Alaska, management planning (forest).

Assessing Impacts

The livelihood of many Alaska residents is dependent on forest resources. Employees of the forest products industry are obviously dependent, but to varying degrees, employees in commercial salmon fishing, tourism, and some mineral-based industries are also influenced by forest resource management policies.

Any plan involving changes in National Forest management policies should include an analysis of socio-economic impacts. For example, the Alaska National Interest Lands Conservation Act (ANILCA) requires that the USDA Forest Service prepare periodic assessments of management for the Tongass National Forest. These assessments must include an analysis of how timber management policies affect the employment, income, and population of southeast Alaskans.

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Report to accompany:
Question #4 -
Community Stability, Fishing and
Tourism, Subsistence

To perform the economic impact analyses, a dynamic simulation model (IPASS) was adapted for use in Alaska. This paper describes how it can be used to evaluate forest resource management situations in Alaska.[1]

Analyzing Hypothetical Scenarios

IPASS can help to answer many of the questions facing policy analysts: Questions such as who would be affected by the closure of wood processing mills in Alaska? who would be affected by new investment in recreation and tourism facilities? and might the growth of the tourism industry counteract the decline in timber-based industries? The following discussion will show how IPASS can be used to analyze the economic significance of three resource-related scenarios.

Scenario 1: Alaska's Pulpwood Industry

The two pulpmills in southeast Alaska produce dissolving pulp. In 1977, production and export was roughly valued at $105 million. But increasing world-wide competition, depressed markets, and the high cost of installing pollution abatement equipment threatens the operation of these mills.

In this scenario, we assume the worst case—a complete shutdown of both mills with a permanent loss of $105 million in regional exports. Table 1 shows the impact of the mill shutdown on both employment and earnings, by year, in aggregated sectors of the economy.[2] The effect on the pulp and paper industry is immediate and, also, is greater than for any other industry. The two other wood products sectors, however, are also adversely affected because they provide logs and mill residues to the pulpmills. For years 2 through 5, the service industries show the indirect impacts of the loss of personal income, loss of population, and the overall reduction in economic activity caused by the mill closures.

Table 1 also shows how the various occupations were affected by the closure of the two pulpmills. Industrial technicians, who account for the largest proportion of the pulp and paper employees, experience the greatest and most lasting impact.

The pulpmills account for most of the basic jobs in the communities where they are located. Consequently, the mill closures would undoubtedly cause many individuals to move elsewhere—in the State or otherwise—because of the lack of reemployment opportunities. Pulpmill workers have traditionally received above-average wages; consequently, former pulpmill employees choosing to remain somewhere in Alaska would undoubtedly have to be retrained or accept lower wages.

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[1] A brief description of the IPASS model is provided in Appendix 1. For a more complete explanation of the IPASS system see, Olson, Doug; Schallau, Con; and Maki, Wilbur. IPASS an interactive policy analysis simulation system. Gen. Tech. Rep. PNW-170 Portland, OR: U.S. Department of Agriculture, Forest Service, Pacific Northwest Forest and Range Experiment Station; 1984. 70 p.

[2] Appendix 3 provides a list of the 75 sectors in the Alaska model. Data for 75 sectors were derived and then were aggregated for the purpose of this paper.

Table 1—Impact on the Alaska economy[1] caused by closure of two pulpmills

Industry	Year of simulation 1	2	3	4	5
	JOBS LOST OR GAINED, BY SECTOR				
Agriculture, forestry, and fisheries	-11	-11	-12	-7	-8
Mining	-1	-3	-5	-4	-4
Construction	-14	-59	-82	-52	-42
Manufacturing:	-1,578	-1,646	-1,319	-1,068	-991
Logging	-460	-518	-342	-164	-138
Sawmills	-48	-56	-46	-41	-41
Pulp and paper mills	-1,065	-1,056	-917	-843	-793
Transportation, communications, and utilities	-91	-136	-156	-136	-123
Trade	-30	-153	-315	-331	-417
Finance, insurance, and real estate	-13	-69	-14	-77	-75
Services	-21	-102	-172	-156	-187
Government	-18	-30	-46	-59	-57
Total	-1,778	-2,208	-2,122	-1,891	-1,905
	EARNINGS LOST OR GAINED (THOUSAND DOLLARS)				
Agriculture, forestry, and fisheries	-241	-263	-223	-105	-138
Mining	-33	-112	-170	-155	-130
Construction	-501	-2,156	-3,000	-1,900	-1,526
Manufacturing:	-36,879	-38,440	-30,764	-24,900	-23,079
Logging	-10,753	12,111	-7,981	-3,826	-3,222
Sawmills	-1,025	-1,179	-965	-868	-867
Pulp and paper mills	-25,012	-24,817	-21,537	-19,805	-18,646
Transportation, communications, and utilities	-2,113	-3,170	-3,923	-3,268	-2,932
Trade	-605	-2,763	-4,805	-3,780	-5,545
Finance, insurance, and real estate	-196	-1,052	-205	-1,172	-1,129
Services	-495	-1,750	-2,681	-2,442	-2,815
Government	-244	-440	-654	-862	-848
Total	-41,305	-50,147	-46,426	-38,584	-38,143
	EMPLOYMENT, LOST OR GAINED BY OCCUPATION				
Managers	-78	-125	-128	-122	-130
Professional	-91	-121	-130	-121	-125
Technical	-18	-28	-42	-39	-42
Service	-81	-117	-173	-177	-195
Industrial technicians	-1,327	-1,494	-1,289	-1,050	-1,002
Clerical	-164	-269	-279	-298	-314
Sales	-17	-54	-77	-81	-95
Farm	-1	-1	-3	-3	-3

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[1] The impact is derived by subtracting the baseline data (that is, simulation of historical data) from the impact scenario data. A minus sign indicates a loss of employment or earnings.

Scenario 2: Changes in Tourism

In this scenario, we assume that promotion of Alaska tourism will increase the sale of goods and services produced in Alaska by $105 million.[3] What impact will this have on employment and earnings? To answer this question we used[4] national averages for tourism-related expenditures to derive estimates of tourism expenditures by industry. Table 2 shows that increased tourism would greatly stimulate employment and earnings in the service, trade, and transportation industries. All occupational categories would also grow.

Scenario 3: Will growth in tourism offset a decline in pulp production?

Scenario 3 is a combination of scenarios 1 and 2. This scenario examines the extent to which an increase in annual tourism expenditures of $105 million compensates for a coincidental decrease of $105 million in exports resulting from a closure of the two pulpmills.

Table 3 shows the impact of this scenario on employment, earnings, and employment by occupation. After the third year, an increase in tourism can more than compensate for the loss of total employment and earnings resulting from closure of the two pulpmills.

A $105 million increase in demand for goods and services provided by the tourism industry would eventually compensate for the loss of two pulpmills in terms of total employment and earnings. The employees losing work as a result of the mill closures would not, however, necessarily be people employed in the tourism industry. An examination of the changes, industry by industry, indicates that there are "gainers" and there are "losers." The wood products industry loses a large number of its employees and earnings, but the service and trade sectors gain. Employment by occupation also varies; for example, the employment for industrial technicians declined while service employment increased (fig. 1).

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[3] The value of expenditures by tourists would exceed the net economic contribution to Alaska's economy. Many of the items purchased by tourists, and the services provided, rely heavily on imports. Total tourism expenditures would consequently have to exceed $105 million.

[4] The Research and Analysis section, Alaska Department of Labor, provided unpublished tourism survey data showing expenditures by nonresident tourists. These data were converted to expenditure classes in the Bureau of Economic Analysis' "National Income Product Account" (NIPA) that were identified as "tourism" related. The distribution of tourist dollars among Alaska industries was derived from the NIPA expenditure classes.

Table 2—Impact on the Alaska economy[1] of increased tourism expenditures

	Year of simulation				
Industry	1	2	3	4	5
	JOBS LOST OR GAINED, BY SECTOR				
Agriculture, forestry, and fisheries	3	22	23	28	25
Mining	0	23	25	26	24
Construction	3	213	82	76	36
Manufacturing	1	94	94	100	89
Logging	0	1	0	1	0
Sawmills	0	1	1	0	0
Pulp and paper mills	0	0	0	0	0
Transportation, communications, and utilities	652	970	945	928	893
Trade	101	540	920	845	982
Finance, insurance, and real estate	21	42	75	93	105
Services	121	770	753	884	858
Government	27	48	30	74	80
Total	929	2,722	2,947	3,056	3,090
	EARNINGS LOST OR GAINED (THOUSAND DOLLARS)				
Agriculture, forestry, and fisheries	58	347	358	412	370
Mining	0	894	934	990	903
Construction	100	7,848	3,003	2,809	1,283
Manufacturing	22	1,739	1,642	1,766	1,552
Logging	0	29	0	16	6
Sawmills	0	25	13	8	3
Pulp and paper mills	0	0	0	0	0
Transportation, communications, and utilities	13,072	19,532	19,304	18,627	17,796
Trade	1,406	7,267	11,477	8,220	10,911
Finance, insurance, and real estate	320	635	1,142	1,436	1,589
Services	2,310	9,240	8,936	10,533	10,053
Government	417	717	428	1,098	1,196
Total	17,700	48,220	47,223	45,891	45,654
	EMPLOYMENT, LOSS OR GAIN BY OCCUPATION				
Managers	115	271	296	295	308
Professional	29	114	126	151	150
Technical	15	88	91	105	104
Service	49	615	670	838	752
Industrial technicians	528	1,031	977	933	940
Clerical	154	496	590	599	637
Sales	41	103	194	127	191
Farm	0	4	5	8	7

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[1] The impact is derived by subtracting the baseline data (that is, simulation of historical data) from the impact scenario data. A minus sign indicates a loss of employment or earnings.

Table 3—Impact on the Alaska economy[1] caused by the coincidental closure of two pulpmills and increased tourism trade

	Year of simulation				
Industry	1	2	3	4	5
	JOBS LOST OR GAINED, BY SECTOR				
Agriculture, forestry, and fisheries	-8	10	12	21	16
Mining	-1	20	20	22	20
Construction	-11	150	-7	31	-5
Manufacturing:	-1,576	-1,552	-1,224	-969	-903
Logging	-460	-517	-341	-163	-138
Sawmills	-48	-54	-45	-40	-41
Pulp and paper mills	-1,065	-1,056	-917	-843	-794
Transportation, communications, and utilities	562	833	788	793	768
Trade	78	439	551	535	513
Finance, insurance, and real estate	8	2	2	24	28
Services	102	672	615	686	676
Government	17	9	-15	16	22
Total	-829	583	742	1,160	1,134
	EARNINGS LOST OR GAINED (THOUSAND DOLLARS)				
Agriculture, forestry, and fisheries	-180	73	144	306	224
Mining	-30	770	764	835	771
Construction	-381	5,526	260	1,153	-188
Manufacturing	-35,854	-36,701	-29,099	-23,153	-21,538
Logging	-10,752	-12,083	-7,965	-3,818	-3,222
Sawmills	-1,025	-1,155	-952	-860	-863
Pulp and paper mills	-25,012	-24,817	-21,537	-19,805	-18,646
Transportation, communications, and utilities	10,959	16,341	15,375	15,378	14,830
Trade	885	5,168	5,965	4,703	4,716
Finance, insurance, and real estate	128	26	35	375	419
Services	1,860	7,556	6,652	7,556	7,402
Government	283	157	-210	248	337
Total	-23,332	-1,083	-634	7,400	6,975
	EMPLOYMENT, LOSS OR GAIN BY OCCUPATION				
Managers	40	156	155	171	173
Professional	-60	-5	-1	23	23
Technical	-3	58	51	64	63
Service	-30	501	498	658	557
Industrial technicians	-793	-452	-329	-114	-75
Clerical	-7	256	267	300	309
Sales	26	65	100	52	82
Farm	-1	3	3	5	4

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[1] The impact is derived by subtracting the baseline data (that is, simulation of historical data) from the impact scenario data. A minus sign indicates a loss of employment or earnings.

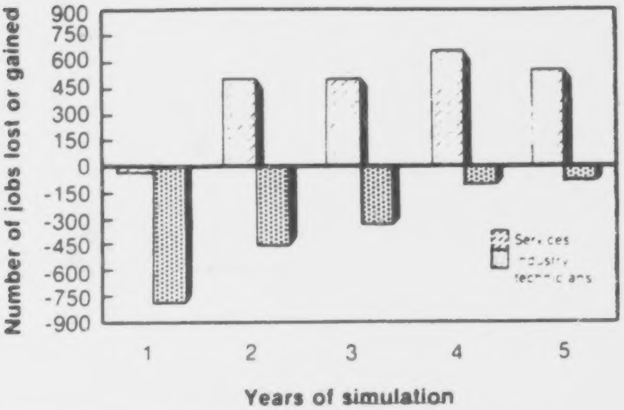

Figure 1.—Change in employment resulting from coincidental closure of two pulpmills and increased tourism expenditures does not affect all occupations equally.

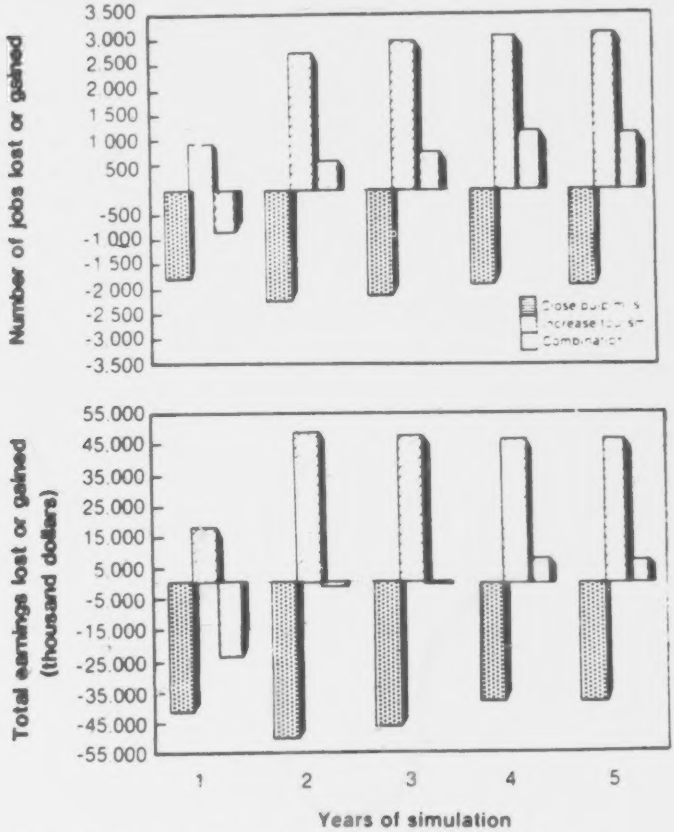

Figure 2.—Changes in total employment and earnings resulting from : (1) the closure of two pulpmills; (2) an increase in tourism expenditures: and (3) a combination of (1) and (2).

Summary

Figure 2 summarizes the change in employment and earnings associated with the three scenarios. The impact on employment and earnings caused by the closure of two pulpmills (scenario 1) is immediate and negative throughout the simulation. Most of the impact is felt by employees in the industry technician category, and most of the loss in jobs is likely to be limited to the towns in which the mills are located.

If tourism expenditures increase (scenario 2), the impact is immediate and positive throughout the simulation with service occupations making the major gains. These gains in employment would probably be spread throughout Alaska.

When the decrease in pulpmill activity coincides with increased sales by the tourism industry (scenario 3), the negative impact in loss of earnings resulting from the former is greater than the positive gains from the latter until the fourth year of the simulation, at which time the net impact is positive. In terms of employment, the impact of increased tourism is greater than the loss of pulpmill activity after the first year of the simulation. This apparent anomaly is explained by the fact that earnings per worker in pulp and paper is much higher than earnings per worker in tourism.

Although a $105 million increase in demand for goods and services provided by the tourism industry would compensate for the loss of employment and earnings resulting from the closure of Alaska's two pulpmills, worker displacement must be kept in mind. Most of the loss would be confined to higher paying, technical jobs in two remote locations, and the increase in jobs would involve lower paying jobs located throughout the State.

Appendix 1

A Brief Explanation of the IPASS Model

IPASS measures change over time.—The IPASS model provides analysts with a flexible, interactive technique for simulating how a particular economy will react to changes in both supply and demand associated with policy alternatives. The IPASS system is composed of eight basic elements or "modules" (fig. 3). Unlike the traditional interindustry model, IPASS introduces the element of time. The dotted lines indicate how each of the modules are linked recursively for use in measuring changes over several time periods.

The eight IPASS modules deal with both demand-side and supply-side factors that affect a region's growth and development. The investment module calculates the investment needed to expand capacity in order to produce more goods and services. This module is connected to the final demand module. The latter forecasts changes in final demand; for example, change in exports. The production module is a Leontief inverse that performs the conventional multiplier calculations of the individual industry impacts of changes in the demand for a region's industrial output. This module also responds to the production constraints emanating from the demand side via the final demand module and the supply side via the investment and labor force modules.

The employment module updates model parameters that influence labor productivity, while the labor force module calculates the supply of labor by occupation classes. The population module uses migration and cohort survival rates, as well as age-specific birth rates, to estimate year-to-year changes in a region's population. Components of value added, including personal income, are calculated by the primary inputs module.

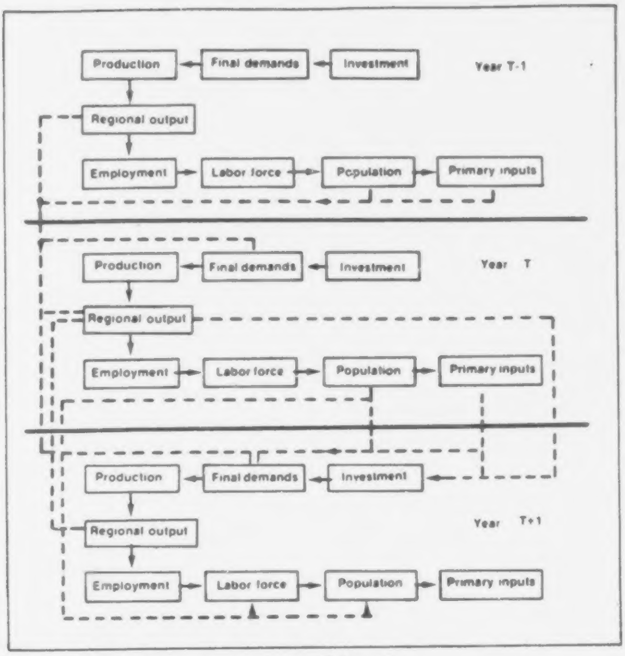

Figure 3.—IPASS is a dynamic, recursive system. Estimates for year T are influenced by transactions during the current as well as previous years. Investments for year T, for instance, are a function of regional output and primary inputs for year T-1.

Appendix 2

Assembling and Calibrating the Alaska IPASS Data Base

Ideally, all data for a particular IPASS model would be unique to the geographical area to be analyzed (see Appendix 3 for industry classification used for Alaska). For Alaska published data sources for some of the economic indicators and model parameters are lacking, however, and conducting a survey to obtain this information would be too costly and time consuming. For the Alaska model, we have, therefore, augmented Alaska published sources with data for the United States. Population and labor force participation, for example, are specifically for the State of Alaska. Capital-output ratios, however, are based on national ratios and trends. The USDA Forest Service software system, IMPLAN,[1] was used to develop a synthetic input-output (I/O). Because the IMPLAN system uses direct coefficients from the national I/O model, coefficients for the Alaska IPASS model were modified to reflect Alaska's economy.

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[1] Unpublished report, 1982, "IMPLAN User's Manual," Land Management Planning, U.S. Department of Agriculture, Forest Service, Fort Collins, Colorado.

An important feature of the IPASS simulation system is the ease with which the user can examine the sensitivity of forecasts based, in part, on nonlocal sources. By introducing a range of values for a parameter, for example, the user can determine how much a particular economic indicator would be affected by a change in the underlying assumptions.

Calibrating the Alaska IPASS data base.—Parameters and rate-of-change variables were adjusted so that the 1977 to 1982 baseline simulation corresponded to historical trends of value added, employment, earnings, and population for Alaska. Economic impact analyses will be the principal uses of IPASS; consequently, the change of a particular indicator is a more important consideration than its absolute level. During calibration, we were mainly interested in simulating the historical levels for various indicators. The calibration can be viewed as an ongoing activity since the model can be easily recalibrated as new information becomes available.

Tables 4 and 5 compare the calibrated baseline simulation of selected employment and earning indicators with historical 1977-1982 data. With few exceptions, the IPASS estimates corresponded closely (that is, ± 10 percent) with the historical data. In general, the more annual fluctuations exhibited by an industry (for example, the construction and mining sectors), the larger the deviation between simulated baseline estimates and actual levels.

Table 4—Percentage of difference between the baseline simulation by IPASS and Alaska historical employment by industry

	Year					
Industry	1977	1978	1979	1980	1981	1982
	Percent					
Agriculture, forestry, and fisheries	2.24	-20.69	-8.72	-1.79	2.13	7.38
Mining	-5.41	13.05	25.64	15.74	-7.34	0.15
Construction	0.00	3.9	31.30	34.53	10.29	-4.29
Manufacturing	2.08	-5.67	-7.36	-11.84	-8.81	5.52
Transportation, communications, and utilities	2.23	-4.02	-5.17	-3.58	-5.74	-3.15
Trade	-0.88	4.72	6.50	12.81	7.58	2.82
Finance, insurance, and real estate	-0.15	-4.93	-2.27	4.64	3.69	-0.58
Services	-0.07	-0.97	-0.90	-3.11	-7.46	-11.69
Government	0.34	-4.03	-5.05	-1.04	.09	-0.30
All employment	0.22	-2.27	-0.21	2.33	0.04	-1.46

Table 5—Percentage of difference between baseline simulation by IPASS and Alaska historical earnings by industry

Industry	Year					
	1977	1978	1979	1980	1981	1982
	Percent					
Agriculture, forestry, and fisheries	-15.63	-28.56	-14.42	-17.92	21.44	22.59
Mining	-6.01	17.34	37.58	22.54	-0.88	3.12
Construction	-14.67	18.40	64.55	61.57	35.17	6.41
Manufacturing	0.45	-5.52	-11.64	-14.98	-7.42	-0.55
Transportation, communications, and utilities	1.08	4.21	6.23	9.65	3.36	1.26
Trade	0.0	8.62	16.48	24.02	15.33	5.22
Finance, insurance, and real estate	0.0	-2.56	3.60	11.17	9.62	-5.59
Services	0.01	24.32	33.90	29.17	13.97	-0.94
Government	1.98	0.23	0.67	1.66	0.92	-3.94
All employment	-3.25	5.61	13.19	14.99	8.42	0.83

Appendix 3

Table 6—Comparison among IPASS, Bureau of Labor Statistics, and Bureau of Economic Analysis input-ouput model sectoring schemes and the Standard Industrial Classification code

IPASS sector number	Industry	Bureau of Labor Statistics (154 sectors)	Bureau of Economic Analysis (466 sectors)	Standard Industrial Classification (1972 edition)
1	Dairy and poultry	1	1,2	pt.01,pt.02
2	Meat animals	2	3	pt.01,pt.02
3	Feed, food grain	4	5	pt.01,pt.02
4	Other crops	3,5	4,6-10	pt.01,pt.02
5	Agricultural services	pt.7	pt.12	0254,07(exc.074)
6	Forest products and services	pt.6,pt.7	pt.11,pt.12	081-085
7	Fish products and services	pt.6,pt.7	pt.11,pt.12	091-092,097
8	Gold and silver mining	pt.10	17-18	1041,1044
9	Other metal ore mining	8,pt.10	13-16,19,21-23	10(exc.1031,1044,108)
10	Metal mining services	pt.10	20	1081
11	Coal mining	11	24-25	111,pt.112,1211,pt.1214
12	Natural gas and petroleum	12	26-28	1311,1321,pt.138
13	Stone, gravel, and clay	13	29-43	141-145,pt.148,149
14	Chemicals and fertilizers	14	44-50	147
15	New construction	152	51	pt.15,pt.16,pt.17,pt.138,pt.1112,pt.1213 pt.138,pt.148
16	Maintenance and repair	15	52	pt.15,pt.16,pt.17,pt.138
17	Ordnance and related	16-17	53-58	348,3761,3795
18	Meat products	18	59-62	201
19	Dairy products	19	63-67	202
20	Canned, cured seafood	pt.27	68	2091
21	Fresh, frozen seafood	pt.27	73	2092
22	Other canned, preserved food	20	69-72,74	203
23	Bakery products	22	82-83	205
24	Beverages	25-26	88-92	208
25	Animal, marine fats, and oils	pt.27	87	2091
26	Other food and tobacco	21,23,24,pt27,28	75-81,84-87,93-96,98-106	204,206-207,209(exc.2091-2092),21
27	Textile goods	29-31	107-120	22(exc.225)
28	Apparel and fabrics	32-34	121-135	225,23(exc.239),3999
29	Logging	35	136	2411
30	Sawmills	36	137-139	2421,2422,2429
31	Other wood products	37-38	140-149,388	243-245,249
32	Furniture and fixtures	39-40	150-162	25
33	Pulp and paper mills	pt.41	163	261-262
34	Other paper and allied	pt.41-42	164-175	263-266
35	Printing and publishing	43-45	176-190	27
36	Chemical and allied	46-53	191-210	28(exc.28195)
37	Petroleum and refining	54	211-213	29
38	Rubber products	55-57	214-219	30
39	Leather products	58-59	220-228	31
40	Stone, clay, and glass	60-64	229-253	32
41	Primary metals	65-69	254-275	33
42	Fabricated metals	70-76	276-303	34
43	Nonelectrical machinery	77-87	304-345	35
44	Electrical machinery	88-96	346-375	36
45	Ship and boat	99	383-384	373
46	Other transportation	97,98,100-102	376-382,385-387,389	37(exc.373)
47	Scientific instruments	103-107	390-399	38
48	Miscellaneous manufacturing	108-110	400-419	39
49	Railroad	111	420	40,474,pt.4789
50	Local transit	112	421	pt.41
51	Truck transportation	113	422	42,pt.4789
52	Water transportation	114	423	44
53	Air transportation	115	424	45
54	Pipeline	116	425	46
55	Transportation services	117	426	47(exc.474,pt.4789)
56	Communications	118-119	427-428	48
57	Electrical utilities	120	429	pt.491,pt.493
58	Gas utilities	121	430	492,pt.493
59	Water and sanitation	122	431	494-497,pt.493
60	Wholesale trade	123	432	50,51(exc.Mfgrs. Sales Off.)
61	Retail trade	125	433	52-57,59,7396,8042
62	Finance and insurance	126-128	434-438	60-64(exc.pt.613),67
63	Real estate	129-130	439-440	65,66,pt.1531
64	Hotels and lodging	131	441	70(exc. Eating & Drinking)
65	Personal services	132-133	442-443	72,762-764,pt.7699
66	Business services	134-136	444-446	73(exc.7396),769(exc.7699),81,89(exc.8922)
67	Eating and drinking	124	447	58,pt.70
68	Auto repair	137	448	75
69	Motion pictures and recreation	138-139	449,450	78,79
70	Health services	140,pt.141	451-453,456-457	80(exc.8042),074
71	Education and nonprofit	pt.141-144	454-455	82-84,86,8922
72	Federal enterprises	145-146	458-461	4311,pt.491,pt.613
73	State and local enterprises	147-148	462-464	pt.41,pt.491
74	Scrap	151	466	
75	Administrative government			

The Honorable Dale Bumpers, Chairman Dec.12,1987
Subcommittee on Public Lands, National Parks and Forests
Senate Energy and Natural Resources Committee
United States Senate
Washington, DC 2003

Dear Chairman Bumpers;

Your November 18 letter to the Southeast Alaska Conservation Council, directed to me, requested answers to questions concerning Tongass Plan assumptions and why I disagreed with the Forest Service recommendation to wait until the new plan is completed before taking legislative action. My answers were included in the November 19 letter to you from SEACC,signed by Bart Koehler. In addition to that response I would like to emphasis a point I made in my hearing statement.

When we developed the Tongass Plan we recognized that our assumptions were based on imperfect data. There was major disagreement among some of the team members on some of the assumptions and some of the projected consequences of the plan. We resolved this impasse by writing into the plan the requirement that the plan, in 1983, would be adjusted to be in compliance with the National Forest Management Act. We knew that several years of using the plan would confirm how accurate our assumptions and projected consequences were. The NFMA provision was an essential element in the team and the State of Alaska reaching agreement on the plan. This was an assurance to the public that a correction was built into the plan. I viewed this as part of the contractual agreements between the participants of the plan.

In 1985 I, and other SEACC leadership, met with Regional Forester Barton and his staff. The question was asked of the Forest Service why the Tongass Plan had not been brought into compliance with NFMA? The answer was that the Forest Service had decided it was not necessary. Upon further questioning the Forest Service acknowledged that this major decision was reached with no consultation with the State or the public.

I firmly believe that the Forest Service was faced with the simple fact that if they brought the Tongass Plan into compliance with NFMA that they could not continue to offer the annual 450 million board foot target from the higher volume stands. In addition the cost of logging would be increased. The solution was to ignore the NFMA provision. This is such an important point that I felt it needed to be stated again for the record. The Forest Service has had a number of opportunities to acknowledge the shortcomings of the Tongass Plan, as well as management problems. The testimony, before your subcommittee,by the Chief illustrates the unwillingness of the Service to acknowledge problems and seek solutions.

I believe this again points out why the plan has failed and why we must have legislative action, rather than wait for a new plan.

I appreciate the opportunity to add this point to the written record.

Best regards,

K.J. Metcalf

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AND ALASKA

ALL OTHERS ADMITTED
IN ALASKA

December 14, 1987

The Honorable Dale Bumpers
United States Senate
Washington, D.C. 20510

Dear Senator Bumpers:

Thank you for your questions following up on the testimony I gave (for the Alaska Loggers Association) opposing S. 708 at the November 5, 1987 hearings which you chaired. Should my answers below provoke more questions, please do not hesitate to contact me.

Your first question concerned the Reid Brothers antitrust suit. To answer your last question first, that lawsuit should have no impact on the political compromise reached on the Tongass in Sections 703 and 705 of the Alaska National Interest Lands Conservation Act (ANILCA). The Reid Brothers suit was filed in 1976 after years of similar complaints (all of which had been discussed with the government) and was close to completion at the time ANILCA passed. As might be expected, the environmental community then, as now, used the lawsuit at every opportunity to discredit the industry. Therefore, the lawsuit was common knowledge to the key Congressional players involved with the legislation. Having passed Section 705 notwithstanding such information, the antitrust activity between 1965-1975 should not now be a reason to repeal Section 705.

In other words, the antitrust issue is a red herring. Passage or non-passage of S. 708 should depend on the merits as they now exist and not be enacted as punishment for dicta in an old lawsuit involving a still older period of time.

With that said, we would like to provide you our in depth assessment of the matter to clear the air:

A. Background

It has been Forest Service policy, since the early 1900's, to establish a timber industry in Southeast Alaska which fully utilized the Tongass National Forest's decadent, overmature timber. It was Forest Service policy that full utilization of decadent timber could only occur through the creation of a pulp industry.

> The management of the timber resources of the Tongass National Forest has as its prime objectives:
>
> 1. The development and maintenance of a permanent pulp and paper manufacturing industry commensurate with the available water, power and timber resources.

Statement of Timber Use Policy Tongass National Forest, Alaska, February 1, 1939.

> Virtually all of the commercial timber in Southeast Alaska is in the Tongass National Forest. The Forest Service, Department of Agriculture which administers the national forest, will follow a policy of managing timber lands primarily for the production of pulp timber on a sustained yield basis.

Statement on Pulp and Paper Possibilities in Alaska, Ira Mason, Chief, Division of Timber Management, Forest Service, June 30, 1950.

The policy, which called for the establishment of pulp manufacturing facilities, gave rise to other, coordinative Forest Service policies. The first policy is the primary manufacture rule, which prohibits round log export from the National Forest and, in effect, requires that value be added to logs through manufacture in the State of Alaska. This causes the pulp mills to be the sole market for all pulp logs harvested and all residual material from saw logs harvested on National Forest land in Southeast Alaska.

The second policy is that large volumes of timber would be sold to those willing to construct pulp mills. The purpose of this policy was to provide a means of amortizing the huge investment which construction of a pulp mill would require in order to attract investors.

To economically supply this timber, "working circles" were established around each pulp mill. A working circle was designed to satisfy the pulp mill's raw material needs. The size of the working circle and its exterior boundaries were dictated by the volume sold to the mill and the economics of transportation and product mix. Accordingly, the cost of logs delivered to the pulp mill within the working circle was usually less than the cost of logs delivered to that same pulp mill from another working circle. This management concept has been described by A. W. Greeley, Regional Forester for the Alaska region, in a paper entitled, Applying Working Circle Concept to Managing the Tongass National Forest, 1954:

> The concept of managing forests by working circles visualizing coordinated actions to direct and control cutting in the designated area of forest land so that, (1) long-term technical forestry needs which require developing a predetermined pattern of stocking, ages, and growth are meshed with (2) long-term economic needs of both the land owner and the timber user in a way that (3) recognizes dependency of local communities or other human institutions on the forest in that area.

Mr. Greeley goes on to state:

> The concept necessarily recognizes the economics of forest industry operation and of forest land ownership or management. Recognition of this economic phase finds force in the size of working circle, the location of the boundaries and such things as decisions affecting the type of products to be manufactured and the processes to be used.

In furtherance of these policies, large volume 50-year timber sale contracts were executed with Ketchikan Pulp Company (KPC) in 1951 and Alaska Lumber & Pulp Company (ALP) in 1956. 1/ KPC was the sole bidder on the first offering in 1951 which covered the entire area of the South Tongass south of Sumner

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1/ See Statement of R. Max Petersen of June 29, 1983 before the subcommittee on Mining, Forest Management and Bonneville Power Administration, Committee on Interior and Insular Affairs of the United States House of Representatives, attached hereto as Exhibit "A".

Strait centered around Ketchikan. KPC's contract with the Forest Service recognized that it was a "pioneering undertaking, involving a substantial long-term investment" and "accompanied by unusual risks due to many unknown conditions." KPC opened its pulp mill in 1954. KPC's contract contains a requirement that 75% of the timber used in its pulp mill must come from its long-term sale.

ALP bid on and was awarded a 50-year pulp timber contract in 1956, covering an area in the North Tongass near Sitka. ALP had its beginnings in the post-war reconstruction of Japan. With the active urging and help of General MacArthur's staff, the State Department and the Forest Service, ALP was formed as an Alaskan corporation to bid on the Sitka long-term sale. ALP was the only bidder. Its contract with the Forest Service recognized that it was "an important and significant step ... that would involve a substantial long-term investment ... accompanied by unusual risks." The pulp mill at Sitka, about 340 miles by water from the KPC mill, started operation in early 1960. ALP's contract contains a provision that 70% of the timber used in its facilities must come from the long-term sale (Section 5d).

Three other long-term pulp timber sales were awarded, but the pulp mills were not built for various reasons. Since the 1960's, the Forest Service has neither planned for nor offered another long-term pulp timber sale. KPC and ALP have thus operated the only two pulp mills in the region. They have purchased timber in independent timber sales, offered to the public at large, but have concentrated their purchases in the "working circles" near their mills.

B. Previous Antitrust Investigations

Since the two pulp mills have large volume, long-term supplies of timber set up in working circles, and since non-pulp National Forest timber purchasers must sell to the mills, as a result of the primary manufacture rule, and since the mills must obtain 70% of their timber from their own sales, a situation has been created by Forest Service policy in which the two pulp mills are the sale market for pulp logs and residual sawlog material. The resulting dominance of the two mills in the timber industry in Southeast Alaska has been a continuous source of antitrust concern. Beginning at least as early as 1968 to the present, the Antitrust Division of the Department of Justice ("DOJ") and the Forest Service have conducted numerous inquiries and investigations into alleged anti-competitive practices in the Southeast Alaska timber industry. 2/

Exhibits "A" and "B" summarize those investigations, as follows:

(1) A 1968 investigation of ALP's acquisition of Alaska Wood Products;

(2) A 1970 investigation of alleged collusive bidding and other improper practices by ALP and KPC;

(3) A 1971 study of ALP's market position in Southeast Alaska;

(4) A grand jury investigation of ALP and KPC that extended from 1974 into 1976;

(5) An investigation by the DOJ, pursuant to a request in October of 1976 by the Forest Service, concerning possible illegal restraints of trade;

(6) A review by the Forest Service's Office of Audit of sale appraisal processes in 1977 and 1978;

(7) A review by the Department of Justice in 1979 and 1980 of a number of documents produced by APC and KPC pursuant to pretrial discovery in a private antitrust action by the Reid Brothers Logging Company, Reid Brothers Logging Co. v. Ketchikan Pulp Co. and Alaska Pulp Co., No. C75-165 SR (W.D. Wash. June 8, 1981), aff'd 699 F.2d 1292 (9th Cir. 1983), cert. den., ___ U.S. ___, 104 S. Ct. 279, 78 L.Ed.2d 258 (1983).

(8) An investigation in 1981 based on the Reid Brothers case, which included a review of the Forest Service's timber bidding records.

Exhibit "A", pages 2-4 and Exhibit "B", pages 2-5. In each of these investigations, the DOJ concluded that the government did not have any claim under the antitrust laws. Exhibit "B", page 7.

2/ Statement of Helmut Furth, June 29, 1983, before the Subcommittee on Mining, Forest Management and Bonneville Power Administration, Committee on Interior and Insular Affairs of the United States House of Representatives, attached hereto as Exhibit "B".

On May 23, 1983, the DOJ received a letter from the acting general counsel of the Department of Agriculture asking the DOJ to examine the possibility of antitrust violations occurring since 1975. On April 20, 1984, the DOJ concluded that it would not initiate any civil lawsuit due to a lack of evidence of antitrust violations continuing after 1975. 3/

C. The Reid Brothers Case

The *Reid Brothers* case referred to above was filed in the Western District of Washington on March 13, 1975. The findings of fact made by the U.S. District Court in that case (filed on June 8, 1981), included a finding that ALP and KPC refused to compete for independent timber sales and logs produced by independent loggers. However, the damages awarded by the District Court to the Reid Brothers were based on its inability to act as an independent logger on a sale at Muddy River No. 3, rather than any damages accruing to the Reid Brothers due to the alleged failure of KPC and APC to bid against each other on independent timber sales. Accordingly, the finding that APC and KPC had failed to compete against one another was dicta because it was not necessary to the holding in the case. (Indeed, Reid Brothers probably would have benefited if KPC and ALP had not bid against one another on particular sales.) Furthermore, the District Court made no finding that the Forest Service appraisal system was impacted or damaged by the alleged decision of ALP and KPC not to bid against each other on independent timber sales. 4/

D. Status of Alleged Forest Service Claim for Damages.

Despite the numerous investigations and inquiries by the government, and the outcome of the *Reid Brothers* lawsuit, the government has never filed an antitrust action against either mill. Mr. Furth of the Department of Justice noted in his Congressional statement that the government *might* be able to rely on the findings of the trial judge in the *Reid Brothers* case to establish the existence of antitrust violation, but that to collect damages, the government would still have to prove that the Forest Service suffered financial loss or injury, and would

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3/ April 20, 1984 letter from Helmut Furth to John Noakes, Deputy General Counsel, U.S. Department of Agriculture, attached hereto as Exhibit C.

4/ The case was appealed to the Court of Appeals for the Ninth Circuit and affirmed. *Reid Brothers Logging Co. v. Ketchikan Pulp Co.*, 699 F.2d 1292 (9th Cir. 1983), *cert. den.*, ____ U.S. ____, 104 S. Ct. 279, 78 L.Ed.2d 258 (1983).

have to prove the amount of that loss or injury. Exhibit "B", page 9. No such determination has, however, ever been made by a court, including in the Reid Brothers case. The government's decision not to institute a civil action was based in part on the lack of evidence of continuing violations after 1974, and the 4-year statute of limitations found in 15 U.S.C. § 15b which would bar an action for damages accruing before 1975. See Exhibit "C", page 1.

E. Forest Service's Action Under the Debt Collection Act.

In 1982, the Congress passed the Debt Collection Act, which was effective October 25, 1982, P.L. 97-365, 96 Stat. 1749. Complaint and Answer ¶ 15. This Act included a 10-year statute of limitations which Mr. Furth thought (as of 1983) might enable the Forest Service to assert claims arising out of transactions occurring between 1973 and 1975. Exhibit "B", p. 8. The Debt Collection Act is primarily codified in 31 U.S.C. § 3716 and allows an agency to offset a claim which it has against amounts which it owes the alleged debtor. The statute does, however, require that before collecting through an administrative offset, the agency promulgate regulations governing such offsets. 31 U.S.C. § 3716(b).

The United States Department of Agriculture ("USDA"), waited until February 26, 1985 to promulgate its regulations governing administrative offsets. These regulations are codified at 7 C.F.R. parts 1 and 3, 50 Fed. Reg. 38 (1985), and were made effective immediately upon publication, without any prior notice or opportunity for public comment. Two days after the USDA regulations allegedly became effective, the Forest Service served APC with a Claim Demand/Notice of Intent to Collect Claim by Administrative Offset, dated February 28, 1985. The claim was based upon an administrative application of the doctrine of collateral estoppel to the Reid Brothers case's finding of an agreement between APC and KPC not to bid on independent timber sales. (There was no finding that such action even impacted the Forest Service appraisal system). This document demanded payment of $9,438,076 plus interest, penalties, and administrative cost assessments. Moreover, it gave APC notice that the Forest Service intended to collect unpaid amounts of that claim by administrative offset against future government payments otherwise due APC or its subsidiaries.

The Notice states that the Department of Justice had authorized the Department of Agriculture "to collect claims premised upon estimated damages to the government from antitrust violations of KPC and APC occurring prior to March, 1975, pursuant to Section 10 of the Debt Collection Act of 1982." Notice was based upon administrative application of the doctrine of collateral estoppel of the finding (which was dicta) in the Reid Brothers case. "Estimated" damages had previously been prepared by Mr. Ronald Galdabini.

The U.S. District Court for the District of Alaska has tentatively dismissed the Forest Service's administrative offset claim against APC because it found that the four year statute of limitations (15 U.S.C. § 15) applies in this case. The parties are awaiting the court's final decision.

F. The Forest Service's Role in Creating the Alleged Monopoly.

In the Reid Brothers case, the Forest Service's role in creating the alleged monopoly of ALP and KPC in Southeastern Alaska was not a relevant factor. However, for the following reasons, certain policies which may have been good in themselves give rise to antitrust concerns.

First, the long-term timber sales held by ALP and KPC resulted from the Forest Service's attempt to utilize the resource in the Tongass National Forest and create stable, year-round employment for the local work force. As explained above, the holders of the 50-year timber sales were required to build pulp mills which would provide long-term employment for people in Southeast Alaska. Because the building of such mills could not be justified unless the cost of such mills could be amortized by a large, guaranteed timber volume, the Forest Service offered large amount of timber in forest areas around each pulp mill to be sold over a 50-year period. the areas covered by these long-term timber sales --- that is, the division of the forest between ALP and KPC of which the Forest Service now complains --- resulted from the fact that the long-term timber sales were themselves divided into two "working circles", ALP's in the north and KPC's in the south.

The working circles were designed to make timber harvest within them economic to the tributary mills. Conversely, it was designed to be less economic for a pulp mill to buy an independent sale outside its working circle, than to rely on its own long-term volume. Accordingly, to the extent each pulp mill was permitted by its contract to purchase independent sales in its own working circle, not the other mill's working circle.

In addition, the Forest Service actively attempted to phase out small loggers in the mid-1960's, thereby creating a general lack of competition within the industry of which the

Forest Service now complains. AS explained in the USFS 1963 5-year Cutting Budget Plan:

> As a basis for our planning, we must reduce the cut from small sales and small operators and increase the cut from large sales and larger operators. ... During the five-year period of this plan, most of the small operators should be phased out or moved to the large sale area where they can fit into their production picture. This must be accomplished. ... In planning the reduction, we recognize that the turnover is high, several now plan to quit soon, others are in financial difficulties, others will find their way into subcontracting for larger operators, while still others will move back to the company areas. (emphasis added)

The U.S. District Court also found in the Reid Brothers case that the Forest Service's own actions hurt the smaller operators:

> The early Forest Service timber sales were mostly small sales designed for small logging operations. During the 1960's, the Forest Service, for a number of reasons, began to phase out such small sales. This decision posed a significant obstacle to the continuing operations of small purchase loggers.

The Forest Service's primary manufacture rule had the effect of influencing the small timber operators to sell their pulp logs and residual saw log material (i.e., chips) to the pulp mills, thereby increasing ALP's and KPC's dominant market position and providing a source of "captive" raw material to the mills in addition to the volume available from their long-term ales. This made it unnecessary for the mills to obtain more than 30% of their volume from the independent sales. The United States General Accounting Office reviewed the USFS appraisal practices in Alaska and reported that a "reasonably free and competitive market" did not exist in Alaska, concluding that:

> Primarily because of the Secretary of Agriculture's regulation requiring that timber end products receive primary manufacture in the state and of the Forest Service's policies with respect to the definition of primary manufacture, the pulp log market in Alaska is limited to sales to the two existing -- and a third planned, pulp mills.

1968 General Accounting Office review of Appraisal Practices.

Finally, the provision in each long-term contract that at least 70% of the material used in the mill come from the long-term sale made it a breach of contract to obtain more than 30% of their volume from independent sources of supply.

G. Conclusion

One can see from the foregoing that the antitrust issue was a very complicated matter which arose as combination of government policies and the fact that there are only two pulp mills in Southeast Alaska. Although this is not an answer, the environmentalists want to hear, more pulp mills would be desirable to increase competition.

Your second question was whether the Forest Service had substituted timber on acreage outside of wilderness to replace timber on acreage lost to wilderness designations. The answer is yes and no. Section 1315(e) of ANILCA provided alternative timber to holders of sales affected by wilderness.

The important point here, however, is that this timber was taken out of the timber base, thus reducing the annual potential yield and, in turn, the allowable sale quantity. That is, we lost a portion of our timber base at a time such as now when additional timber is needed. For example, at the present time in the Upper Game Creek lawsuit, the Sierra Club and SEACC have almost half of the remaining timber available to APC under its 1981-86 five year operating plan held up in litigation. SEACC and the Sierra Club are also seeking an administrative stay of harvesting in new areas for the 1986-90 five year operating period while they prepare their next lawsuit. All of this is happening while the market is improving and the industry is struggling to make up for past losses while markets are good. In short, the loss of flexibility occasioned by putting 1.5 million acres of commercial forest land into wilderness was a major loss to the industry.

Your third question suggests that the companies have an option of buying or not buying timber that is offered in a five year period. The structure is basically this. Each mill works with the Forest Service to select the timber to be harvested during the next five year operating period. This contract right to propose the areas to be harvested is subject to change of such areas and harvest unit boundaries by the Forest Service both for reasons set forth in the contract and through the National Environmental Policy Act (NEPA) process. The amount of timber so selected is based upon how much remains to be harvested for the entire life of the sale, divided by the number of years remaining on the sale times five. Included in this will be timber from the previous five year period that was not harvested.

It is important to keep in mind that while there are no penalties for carrying timber over from five year period to five year period, at the end of the sale the companies will pay double stumpage rates for any timber which they have failed to harvest. (See Section 7(d) APC contract.) Accordingly, the companies cannot afford to let the backlog pile-up.

This flexibility in the long term sales has been offset by the erosion of the agreements since they were netered with the federal government. Specifically, the National Forest Management Act (NFMA) introduced many additional environmental requirements. The Clean Water Act and Clean Air Act caused major retrofitting expenses at each mill which significantly changed the economics of each sale.

Your fourth question asked whether S. 708 would force closure of the mills. Only the mill owners can answer this question. However, since the Tongass Timber Supply Fund consists mostly of the Forest Service timber management budget, if S. 708 were passed and no appropriation made, then the Forest Service would have no funds to put up timber sales and no funds to monitor the timber sales which already exist.

People sometimes forget that the $40 million is the Forest Service budget with an increment for the government to build roads which the government will own and which are needed to access remote timber. Some have attempted to characterize this as a subsidy to industry by simply taking the Tongass Timber Supply Fund and dividing it by the number of people who work in the industry. Most assuredly, the same embarrassing figures would arise no matter what area of the country was used for the equation.

The fifth question involves the appraisal system. You ask why the pulp companies have lost money on the sales even though the prices are so low. The quick answer is that the stumpage prices are computed on the residual value appraisal system. This means that the Forest Service begins with the selling values at which products from the timber are sold and subtracts from that the cost of manufacturing and logging that timber. Where the cost of logging and manufacturing exceed the selling values of the product, one can see that even though the stumpage prices may be low, the company will lose money. In APC's case, for example, an emergency rate redetermination in 1982 showed that it was losing approximately $100 per thousand board feet. In conclusion, please keep in mind that stumpage prices are only a minor portion of what the operator must pay.

The operator must also pay all of the logging and manufacturing costs before he can sell his product. If the selling values are less than the cost, as they have been in the Tongass during this last five year depression, then the situation you describe results.

You asked how many mills there are in Southeast Alaska and who owns them. There is a sawmill in Haines, Alaska, known as Chilkoot Lumber Company. I do not know all of the owners of that company, but one of them is Mr. Ed Lapeyri. This mill is not associated with either pulp mill. There is a sawmill in Wrangell, Alaska which is owned by Alaska Wrangell Lumber Company, which is affiliated with APC. Alaska Wrangell Lumber Company leases out its mill to Wrangell Forest Products, which is independent of APC. Ketchikan Pulp Company has related sawmill facilities at Annette Island.

You asked about the industry statement that it is not necessary to use pre-roading funds when timber values are high because the timber supports construction of the roads through purchaser credits. This is basically correct. At the present time, rising markets have created a situation in which bid premiums are actually being offered for the timber put up for sale on the Tongass. This means that the purchaser not only builds the road but pays more money in stumpage to the Forest Service because the selling values of foreign markets are presently very high.

In conclusion, I appreciate the opportunity to answer the questions you raised. If I can be of any further help, please let me know.

Very truly yours,

James F. Clark

James F. Clark

JFC:sd/13.63
Enclosures

STATEMENT OF
R. MAX PETERSON
CHIEF, FOREST SERVICE,
UNITED STATES DEPARTMENT OF AGRICULTURE

Before the
Subcommittee on Mining, Forest Management, and
Bonneville Power Administration,
Committee on Interior and Insular Affairs,
United States House of Representatives

Concerning
Timber Sales on the Tongass National Forest

June 29, 1983

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

We are pleased to be able to testify on the Subcommittee's review of the timber sale program on the Tongass National Forest and the actions we have taken relating to the Reid Brothers vs. Ketchikan Pulp Company and Alaska Lumber and Pulp Company case. I would like to briefly review for the Members the history of this issue and then update the Subcommittee on actions that the Department has taken following the decision by Judge Rothstein on March 5, 1981.

The Forest Service made an effort to develop a pulp industry in Alaska beginning in the nineteen twenties. The purpose of this effort was to provide a stable base for the area's economy and to utilize the area's abundant timber resource. As you may recall from the history of Alaska, much of Southeast Alaska's fishing industry had sharply declined by that time. Several attempts were made but no positive action resulted until the nineteen fifties when six long term (50-year) timber sales were prepared. Two of these sales were not awarded, one was cancelled and a fourth shortened by 25 years. Two sales, a 1951 sale of 8.25 billion board feet to the Ketchikan Pulp and Paper Company, and a 1956 sale of 5.25 billion board feet to the Alaska Lumber and Pulp Company, resulted in the establishment of pulp mills. About half of the annual timber harvest of 452 million board feet on the Tongass National Forest in the last 10 years has

EXHIBIT A

resulted from these two long term sales. The dominance of the independent timber market in Southeast Alaska by these pulp mills has been a cause of concern. In 1977, a small business timber sale program, under the provisions of the Small Business Act, was established in Alaska for the purpose of protecting the opportunity for smaller firms to buy National Forest timber.

In 1968, the Forest Service contacted the Department of Justice concerning possible antitrust implications of Wrangell Lumber Company's acquisition of the Alaska Wood Products Company. Wrangell Lumber Company is associated with Alaska Lumber and Pulp Company. Reid Brothers Logging Company filed a civil suit in 1975 against Alaska Lumber and Pulp Company and Ketchikan Pulp Company, now a wholly-owned subsidiary of Louisiana Pacific, charging that officials at the two mills conspired to control the timber market in the region and drive independent loggers, such as Reid Brothers, out of business. This case came to trial in the late summer of 1980 in the U.S. District Court in Seattle. On March 5, 1981, Federal Judge Barbara Rothstein orally ruled that the actions of the two companies had violated antitrust laws and had caused about $500,000 damages to Reid Brothers. In accordance with antitrust laws, the final amount of damages are automatically tripled. On appeal the Ninth Circuit Court of Appeals sustained Judge Rothstein's ruling on March 1, 1983, and denied a subsequent request by the two companies for a ruling by the entire court. Several other related civil antitrust suits by small Southeast Alaska timber operators have been successful against the two companies both in court and out of court.

Administratively, in October 1976, the Forest Service requested that the Justice Department investigate the two pulp companies for possible illegal restraint of trade. The Justice Department's Antitrust Division notified USDA in December

1976 that they had conducted an extensive investigation and closed the case because of insufficient evidence.

The Department's Office of Audit reviewed the Tongass National Forest timber. sale appraisal process, at the Forest Service's request, in 1977 and 1978. The Alaska Region in 1978 requested that evidence concerning timber sale bidding patterns on the Forest be transmitted to the Office of Inspector General for investigation. This material was transmitted to the Department of Justice in 1979.

Following Judge Rothstein's March 5 decision, the Forest Service undertook a number of actions. In a public announcement on April 2, the Regional Forester for Alaska: (1) suspension of all new timber sale offerings until July 1, 1981, (2) requested the Small Business Administration to recertify all existing small business concerns in Southeast Alaska, and (3) appointed a review team of three specialists (an attorney, accountant, and forester) to review and analyze all trial transcripts, briefs, and exhibits to develop areas of concern to the public. The three man team findings were presented to me and my staff in June 1981. I have provided the Committee with copies of this report and the status of actions on the recommendations. On April 22, we referred to the Office of the General Counsel and to the Department of Justice our preliminary report on the March 5 decision and related noncompetitive bidding practices. This action was taken in compliance with section 14(e)(3) of the National Forest Management Act of 1976 that requires "a report of instances of such collusive bidding practices or patterns of noncompetitive bidding be submitted to the Attorney General of the United States with any and all supporting data."

In late November 1981, this Department made a formal submission of the case to the Department of Justice based on our review of the case documents.

At this point, Mr. Chairman, I want to emphasize to the Subcommittee that the Forest Service has acted on its concerns of possible antitrust activities in Southeast Alaska. We have carefully reviewed and analyzed information concerning the timber sale program, while establishing and maintaining communication with the Office of General Counsel and the Department of Justice.

Concurrent with this ongoing review and analysis, however, we have initiated several administrative actions. These actions have been taken to improve the Tongass National Forest timber sale program, including resolving those problems revealed by the March 1981 decision and the subsequent analysis by the three man team.

We requested in 1981 that the Small Business Administration conduct firm size determinations of the three companies which were certified at that time as eligible to participate in preferential bidding on timber sale set-asides for small business. The purpose was to see if the SBA set-aside program on the National Forest was being subverted. This revealed that one of the small businesses was affiliated with ALP. We also examined the 80 million board foot annual set-aside for the Forest to see if the program was achieving its objective of benefiting small businesses.

The Small Business Administration recertified the firms in question after the one firm's relationship with ALP was restructured. Our study concluded that the SBA program should be extended intact for another year, subject only to market adjustments. This action was taken in part in response to information provided by SBA on the size determination. The program has been annually evaluated since then.

The Regional Forester resumed the fiscal year 1981 timber sale program on the National Forest in July 1981. This included three SBA set-aside sales that were offered through sealed bid, rather than oral bid, procedures. These sales were advertised in the Pacific Northwest, as well as Alaska, and the advertisement period was extended in order to give prospective purchasers outside Alaska an opportunity to purchase the timber.

The change to sealed bids was a significant action, intended to reduce the possibility of preclusive bidding keeping outside companies from purchasing the timber. The past practice had been to sell about half the annual sale volume by sealed bids and half by oral bids.

The Regional Forester also began a program of offering a series of small sales, with volumes under 5 million board feet. This action was designed to increase the opportunities for smaller companies and to respond to the concerns expressed by the small timber purchasers association.

Also at this point in time, the Regional Office began an analysis of the timber appraisal methods used in Alaska. The objective was to provide additional assurance that our appraisal system would result in a fair market value for the timber, and be less susceptible to some of the alleged manipulations said to have occurred in the Reid Brothers case. This study continues to the present and has involved continuing interaction between Regional and Washington Office Forest Service staffs. A separate review examined the records of all companies, including ALP and KPC, involved in providing data used by the the Region timber sale appraisals. Regional staff traveled to Tokyo, home office of ALP, to gather parts of the data. In the instance of this firm, some of the findings indicated that no "arms-length transactions" were available to determine certain costs. As a result, in August 1982, some ALP data was dropped from the data used in the appraisal data sample. The decision is currently being appealed by ALP and is under review in the Washington Office.

In December 1981, the Regional Forester, after consulting with me, announced that for the forseeable future all timber sales on the Tongass National Forest would be sold by sealed bids. This action followed a decision that an announcement of the fiscal year 1982 timber sale program (which commenced in October) was to be deferred until March 1982. In that month, a three-month Small Business Set-Aside program (only) was announced. The "open" timber sale program was deferred until July 1982, pending a decision by the Department of Justice on the actions they planned to take. Neither ALP nor KPC has bid on the two open sales which have been subsequently offered on the Tongass National Forest. In May of this year the Regional Forester was advised to not enter into any new contractual commitments with ALP or KPC prior to review by the Washington Office.

This Department has referred the matter of anticompetitive activities in Southeast Alaska to the Antitrust Division of the Department of Justice on several occasions since 1968, most recently in November of 1981. In January of this year, the Antitrust Division notified us of its conclusion that there were currently insufficient bases for antitrust action against ALP or KPC. We requested the Antitrust Division to reconsider their January decision in light of the decision by the Court of Appeals. Mr. Furth will bring you up to date on this matter when he testifies. On April 11 of this year, the Criminal Division of the Department of Justice declined to consider this matter for further criminal investigation or prosecution purposes. The Civil Division of the Department of Justice is still considering the matter and we are presently in the process of answering some of their questions.

On the matter of damages to the Government resulting from the two firms' actions, we began in October 1981 to prepare a damage estimate. These estimates have been consistently refined as we have gained more information. Reports on estimated damages were presented in May and and December 1982. These damage estimate reports have been provided to the Antitrust, Criminal, and Civil Divisions of the Department of Justice.

In an action independent of the court decision, both defendants requested that the prices in effect on their long term sales be redetermined. Provision for this action, called an emergency rate redetermination, is set forth in section 2(e) of the timber sale contracts and is intended to keep the value of the timber under the long term contract current with market conditions. KPC made their request in December 1981 and ALP requested the same action in June 1982. In July 1982 KPC was informed of the new rates established as a result of the redetermination; ALP was informed in May 1983. In both instances, the rates were substantially reduced, reflecting the economic decline in the forest products industry that had taken place in the 1980-1982 period.

Mr. Chairman, let me conclude my prepared remarks by stating again that the Forest Service has been cognizant of the matters raised by the March 1981 District Court decision relating to the Reid Brothers Logging Company. I believe that the Subcommittee will find that the agency has responded promptly and thoroughly to the concerns. Thank you for the opportunity to testify. I would be happy to join with my colleagues from our Office of General Counsel and the Department of Justice to answer the Subcommittee's questions.

Department of Justice

STATEMENT OF

HELMUT F. FURTH
DEPUTY ASSISTANT ATTORNEY GENERAL
ANTITRUST DIVISION

BEFORE THE

SUBCOMMITTEE ON MINING, FOREST MANAGEMENT
AND BONNEVILLE POWER ADMINISTRATION
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

HOUSE OF REPRESENTATIVES

CONCERNING

ANTITRUST INVESTIGATIONS OF TIMBER COMPANIES
IN THE TONGASS NATIONAL FOREST

JUNE 29, 1983

EXHIBIT B

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to testify as to the Antitrust Division's investigations of the activities of major timber firms operating in the Tongass National Forest in Southeast Alaska. We very much appreciate the Subcommittee's interest in this matter. We share the Subcommittee's concern that there be effective competition in the timber industry.

In November of last year, we and representatives from the Department of Agriculture amd its Forest Service briefed the staffs of two Subcommittees of the House Committee on Agriculture (the Subcommittee on Forests, Family Farms and Energy and the Subcommittee on Department Operations, Research and Foreign Agriculture) regarding the status of our then ongoing investigation. I appreciate this further opportunity to bring you, Mr. Chairman, and the other members of the Subcommittee, up to date.

By way of background, and in order to place our current activities into their proper context, I shall briefly summarize our earlier investigations and the conclusions we reached as a result of them, and then outline our plans for a further investigation.

Over the past fifteen years the Antitrust Division has conducted several inquiries and investigations into alleged anticompetitive practices in the Southeast Alaska timber industry. We have devoted substantial resources to this matter. We have worked closely with the Forest Service, as well as pursuing our own independent inquiries. The focus of these efforts has largely been on the activities of two timber firms, Alaska Lumber and Pulp Company (ALP) and the Ketchikan Pulp Company (KPC), which for many years have been engaged on an extensive scale in the timber business in Southeast Alaska. KPC is a subsidiary of the Louisiana-Pacific Corporation. ALP is controlled by Japanese interests.

Five separate inquiries or investigations were conducted prior to 1981. These included (i) a 1968 investigation of ALP's acquisition of the Alaska Wood Products Company, which operated a saw mill in Southeast Alaska; (ii) a 1970 investigation of collusive bidding and other improper practices by ALP and KPC; (iii) a study in 1971 of ALP's market position in Southeast Alaska; (iv) a grand jury investigation of ALP and KPC that extended from 1974 into 1976; and (v) a review in 1979 and 1980 of a number of documents produced by these two companies pursuant to pretrial discovery in a private antitrust action brought against them in 1975 by Reid Brothers Logging Company of Southeast Alaska (Case No. C75-165SR, W.D. Wash.). No court action was taken by the Antitrust Division on the basis of any of these inquiries and investigations.

In Spring of 1981 a new investigation was initiated by us. The immediate cause of that investigation was a decision by Judge Barbara Rothstein of the United States District Court, sitting without a jury in the Reid Brothers case, that the two lumber companies had conspired to monopolize and restrain trade in the timber industry in Southeast Alaska during the 1960's and into 1975, the time period relevant to the claims asserted in the lawsuit.

Our investigation continued from 1981 through the end of 1982. We reviewed large portions of the record in the Reid Brothers case, together with a number of additional documents from the files of the two timber companies, which had been produced by them in the course of pretrial discovery in that lawsuit. We also reviewed the Forest Service's timber bidding records covering the period 1978 through 1981. In addition, we interviewed and conferred with representatives of the Forest Service and other persons involved in the Southeast Alaska timber industry. The principal objective of the investigation was to examine the evidence in the private antitrust suit, and other facts, with a view to evaluating the prospects of obtaining antitrust injunctive relief or recovering damages on behalf of the United States against the two companies. We also considered the possibility of criminal proceedings.

On November 30, 1982, as this investigation was nearing its conclusion, I and other officials of the Department of Justice, the Department of Agriculture, and the United States Forest Service met with members of the staffs of the two Subcommittees I referred to earlier, and briefed them extensively on our preliminary findings and conclusions.

Our investigation was concluded soon thereafter. Early in January of 1983, we submitted to the Department of Agriculture a letter detailing our conclusions. Copies of that letter were provided to the two Subcommittees. I understand that copies have likewise been furnished or made available to the members of this Subcommittee.

Briefly summarized, our opinion letter set forth our conclusion, which we reached on the basis of the then available evidence, that there was no realistic prospect of obtaining meaningful and effective injunctive relief against the two timber companies. We found that the economic power of the two firms in Southeast Alaska derives principally from their operation of the only two pulp mills in that part of the country and from their 50-year contracts with the Forest Service. These 50-year contracts were entered into in 1951, in the case of KPC, and in 1956, in the case of ALP. The contracts were awarded to the two companies in order to induce them to build and operate large pulp mills--which the companies have done--by assuring them of adequate supplies of timber from national forest lands in the vicinity of their pulp mills.

Another circumstance that materially enhances the economic power of the two companies is the fact that, for various reasons, it is not generally practical to market logs from Alaska in the contiguous United States; the main market for them is in Japan. Moreover, about half of the timber cut in Southeast Alaska is not suitable for sale as logs, but must be pulped, which requires the seller to deal with one of the two existing pulp mills; the pulp is then sold on the world market. Both of these factors contribute to the dominant position that the two companies have in the Southeast Alaska timber business.

Based on our review, we concluded that any antitrust remedy involving cancellation of these long-term contracts would require evidence of more substantial, and more recent, antitrust violations than our investigation uncovered. In reaching our conclusion we also took into account the fact that a court would be most reluctant to order any relief that might result in suspending the operations of either company's pulp mill, since that action would, we understand, leave without immediate alternative employment a number of persons now employed at the mills.

There appeared to us to be no other equitable relief short of such drastic divestiture that would significantly improve competitive conditions in the Southeast Alaska timber industry.

As to possible criminal proceedings, we concluded that there was no basis for such proceedings because we did not have evidence of a violation of the antitrust laws occurring within the past five years. The statute of limitations applicable to criminal proceedings under the antitrust laws is five years.

We also concluded that the Government did not have a claim for damages under the antitrust laws by reason of any of the anticompetitive acts as to which we found evidence. The applicable antitrust statute of limitations is four years. We concluded on the basis of the information we then had that no recoverable damages accrued within the 4-year statutory period.

I note in this connection that the Forest Service has raised the question whether it could assert any claims against either of the companies based upon fraud or breach of contract, as to which the time limitations for bringing a lawsuit are different than for antitrust suits. I am informed that these claims are being reviewed by the Civil Division of the Department of Justice. Among other things, the Civil Division is examining whether KPC and ALP defrauded the Government by reporting artificially low open market log prices, thereby depressing stumpage values for contract timber, and whether the companies manipulated their internal processing costs in order fraudulently to decrease their payments to the Forest Service. On March 10, 1983 the Civil Division requested further information from the Forest Service and expects to receive it within the next few weeks. If you have any questions for the Civil Division, I will be glad to forward them for reply.

Following the delivery of our opinion letter to the Department of Agriculture, several developments occurred that ultimately led us to decide to undertake a further investigation.

The first development was that, after reviewing our opinion letter, the Forest Service advised us that for purposes of certain types of administrative proceedings the Forest Service might be able to rely on a recently enacted 10-year statute of limitations, instead of the 4-year statute normally applicable to antitrust cases. In such administrative proceedings the Forest Service might be able to offset antitrust damage claims against moneys otherwise owing from the Forest Service to the lumber companies. This advice has a bearing on our appraisal of the damage claims, because, if permitted to reach back as long as ten years in order to interpose a damage claim, the Forest Service might be able to assert claims arising out of transactions occurring between 1973 and 1975, provided the Forest Service is able to establish financial injury.

On February 24th of this year I and other officials from the Department of Justice, Department of Agriculture and the Forest Service met to discuss this possibility. At that meeting we also discussed other possible damage claims that the Forest Service might have by reason of certain transactions occurring more recently than 1975, which I shall return to later. At the meeting we advised the Forest Sevice that if it wished to pursue its damage claims either in court or in the forum of an administrative proceeding, we would assist it and make available staff attorneys to handle the antitrust aspects of any such proceedings.

Shortly after this meeting, on March 1, 1983, the United States Court of Appeals for the Ninth Circuit affirmed the decision of the District Court in the Reid Brothers case. It specifically confirmed the findings of the trial judge that the two timber companies violated the Sherman Act by conspiring to restrain trade in a number of different ways during the 1960's and into 1975. This decision also has a bearing on our appraisal of the Forest Service's damage claims. Under currently evolving theories of civil procedure, the trial judge's findings that the two timber companies conspired to restrain trade as recently as 1975 might well be deemed binding and conclusive under the doctrine of collateral estoppel in a future proceeding brought against the two companies by the Government, even though the Government was not a party to the Reid Brothers lawsuit. Thus, in a proceeding to determine damages, the Government might be able to rely on the findings of the trial judge in the Reid Brothers case as conclusive proof of antitrust violations occurring during the 1960's and into 1975. To collect damages, the Government still would have to prove that the Forest Service suffered financial loss or injury, and to quantify the amount of that loss or injury.

On May 23, 1983 we received a letter from Mr. John Noakes, the Acting General Counsel of the Department of Agriculture, requesting us to make a further review of the records of the two timber companies and to examine other evidence of possible antitrust violations occurring since 1975. Specifically, Mr. Noakes suggested that we examine records and collect other evidence regarding the possibility that in the years from 1975 through 1977 the two timber companies and others boycotted Forest Service offerings of timber in Southeast Alaska. Mr. Noakes advised us that financially the effects of any such boycott might extend for several years after 1977, when the boycott apparently ended, since the Forest Service's inability to sell timber during those years might affect the level of appraised values set by the Forest Service for timber offered for sale by it in later years.

Mr. Noakes also suggested that we examine into the possible existence of improper concerted activities by the two companies in dealing with the Forest Service in the years since 1975, including the possibility of improper concerted action by the two companies in 1979 in submitting preclusively high bids in order to discourage another company from entering the timber business in Southeast Alaska. He further suggested that we inquire as to possible financial ties between either of the two timber companies and certain nominally independent saw mills now operating in Southeast Alaska.

As to the latter point, it is our understanding that there are three independent saw mills operating in Southeast Alaska, respectively owned by the Alaska Timber Corporation, Schnabel Lumber Company and Mitkof Lumber Company. For some period of time in the past, these mills apparently were under the control of either ALP or KPC. ALP and KPC had previously acquired three other saw mills during the early 1960's and 1970's, whose acquisition was found to be unlawful in the Reid Brothers suit. Under these circumstances it appears to us to be a relevant inquiry whether or not at the present time there are independent saw mills operating in the area, although it should be noted that even the existence of independent saw mills might not significantly reduce ALP's and KPC's market power in view of their long-term contracts for low-cost timber and the fact that the independent saw mills probably must continue to sell a substantial part of their output to these two companies for processing. The Forest Service previously advised us, based on its own inquiries and those of the Small Business Administration, that the three saw mill companies which I named are no longer under the control of ALP or KPC. We did not independently verify these facts. Mr. Noakes in his letter of May 23, 1983 suggested that we do so.

After a careful review of Mr. Noakes' suggestions, we reached the decision internally at the Antitrust Division that a further investigation by us was justified.

We also decided that the inquiry should be conducted by the staff of our San Francisco Field Office. On June 3rd, I consulted with the Acting Chief of the San Francisco Field Office in Chicago, where several of the field office chiefs and

I met to review departmental matters. Such meetings with the chiefs of the field offices are held periodically throughout the year. At the Chicago meeting we discussed in a general way the nature and scope of the factual inquiry that we would pursue in the timber industry matter.

We decided to conduct our inquiry using our special legislative authority to issue a type of compulsory process known as civil investigative demands. By law, the Antitrust Division may issue a civil investigative demand whenever the Assistant Attorney General in charge of the Antitrust Division has reason to believe that any person may be in possession of any documentary material or might have any information relevant to a civil antitrust investigation. A civil investigative demand can require the recipient to produce records for our copying and inspection and to provide sworn written answers to questions submitted by us. We are also empowered to compel witnesses to appear before us and to testify under oath, much as in the case of a pretrial deposition.

We are currently in the process of drafting the appropriate civil investigative demands, in consultation with the Forest Service. It is our present intention within the next few days to issue civil investigative demands addressed to both ALP and KPC, and to the three nominally independent saw mill companies, requiring the production of documents and the answering of written interrogatories. We plan to cover each of the topics which Mr. Noakes referred to in his letter. We also plan to issue civil investigative demands for the taking of depositions. The depositions will probably be scheduled to commence shortly after we receive the pertinent records from the files of the companies and answers to our written interrogatories.

This concludes my outline of the Antitrust Division's activities in this matter. As I noted at the outset of my statement, the Division has devoted considerable time and resources to its prior investigations into competitive conditions in the Southeast Alaska timber industry. We are now renewing that investigation. Should our investigation uncover evidence of antitrust violations for which effective relief can be fashioned or damages recovered, we shall take appropriate enforcement action. We are also prepared to assist the Forest Service in taking administrative action if that proves to be the desirable route for litigating damage claims.

Mr. Chairman, I would be pleased to answer questions that you or any other members of the Subcommittee may have at this time.

U.S. Department of Justice

Antitrust Division

Office of the Deputy Assistant Attorney General

Washington, D.C. 20530

April 20, 1984

RECEIVED
APR 30 1984
Office of the
General Counsel
JUNEAU, ALASKA

John Noakes, Esq.
Deputy General Counsel
U.S. Department of Agriculture
Washington, D.C. 20250

Dear Mr. Noakes:

This letter summarizes the results of our most recent investigation of possible antitrust violations in southeast Alaska by the Alaska Lumber and Pulp Company ("ALP") and the Ketchikan Division of the Louisiana-Pacific Company ("LPK"). The results of previous antitrust investigations by us of the activities of these two companies in southeast Alaska are discussed in my letter of January 4, 1983 to former General Counsel A. James Barnes.

Our current investigation was undertaken in response to your letter of May 23, 1983. You asked us to look into (i) the possible existence of a boycott by ALP and LPK, as well as others, of timber offerings by the United States Forest Service ("USFS") during 1975-1977 and certain more recent periods; (ii) possible preclusive bidding by ALP or LPK in connection with the North Irish Creek timber sale in September 1979; and (iii) the existence of financial or other ties between ALP and LPK and three small Alaska timber firms, Alaska Timber Corporation ("Alaska Timber"), Mitkof Lumber Company ("Mitkof"), and Schnabel Lumber Company ("Schnabel"). 1/

1/ In Reid Brothers Logging Co. v. Ketchikan Pulp Co., a private antitrust suit against ALP and LPK, the District Court in Washington found that the two companies had engaged in a number of antitrust violations involving the southeast Alaska timber business over a period of years running from the late 1950's to 1975. The judgment of the District Court recently was affirmed. 699 F.2d 1292 (9th Cir. 1983), certiorari denied, 104 S.Ct. 279, 280 (1984). The lawsuit did not deal with events more recent than 1975, which you asked us to investigate.

EXHIBIT C

Based on an extensive factual investigation, described below, we have concluded that there is insufficient evidence of antitrust violations since 1975 on the part of either ALP or LPK to warrant the bringing of antitrust proceedings by the Department of Justice. With regard to the possible boycott of USFS timber offerings, the evidence fails to show that potential bidders agreed among themselves not to bid; to the contrary, it appears that there were sound business reasons why the companies did not bid on particular timber offerings. With regard to the possible preclusive bidding incident in 1979, the evidence shows that ALP and LPK did not bid above their anticipated break-even points; we did not uncover evidence of a specific intent on the part of either firm to bid high in order to exclude a new entrant from coming into the southeast Alaska timber business. With respect to financial and other ties between ALP or LPK and other timber firms, the evidence confirms that such ties existed during a portion of the period since 1975, but for the most part have now been dissolved.

Use of Compulsory Process in Conducting the Current Investigation. Over a period of six months, starting in July and continuing into December 1983, the Antitrust Division sought and collected a large quantity of documents and data dealing with all of the matters that you asked us to investigate. Much of the material was secured by us through the use of Civil Investigative Demands (CIDs), which are a special type of compulsory process that empowers the Antitrust Division, in conducting civil investigations, to compel the production of documents, the providing of data in the form of written answers to written questions, and the obtaining of sworn testimony from witnesses pursuant to oral examinations conducted by Division attorneys. 15 U.S.C. § 1311-14.

We concluded our preparation of CIDs following a hearing held on June 29, 1983 before the Subcommittee on Mining, Forest Management and Bonneville Power Administration of the House Committee on Interior and Insular Affairs, at which we advised the Subcommittee of our intention to undertake the present investigation. In late July 1983 the Division served on both ALP and LPK CIDs demanding the production of company records and the answering of interrogatories. In August 1983 the Division served similar CIDs on Alaska Timber, Mitkof and Schnabel.

Following negotiations in which we agreed to modify our requests in minor respects, ALP and LPK in September 1983 furnished the requested documents and information. The three other firms responded in November 1983. Additional information was secured from ALP by follow-up letter in November 1983.

In November and December 1983 the Division examined under oath fourteen present and former employees of these companies. Annexed hereto as Appendix A is a list identifying the witnesses and the date of each examination.

Since by law we cannot make materials obtained by us through the use of CIDs available for your examination (15 U.S.C. § 1313), our findings and conclusions set out below are stated in summary form, except in those instances where our information was derived or confirmed through non-CID sources and except as to one specific incident, the circumstances surrounding ALP's bidding on the North Irish Creek timber sale, where ALP's counsel expressly consented to our release to you of certain proprietary information.

Possible Boycott of USFS Timber Offerings. You asked us to investigate the possibility that ALP, LPK and other Alaska firms illegally boycotted USFS timber offerings from June 1975 to January 1978 and during certain later periods.

Within the two and one-half year span from June 1975 to January 1978, the USFS on 25 separate occasions made Tongass National Forest timber tracts available for purchase at auctions, but on only five of these occasions were bids submitted. ALP bid on one offering, LPK on two and Alaska Timber on one. Schnabel and Mitkof did not bid on any. In contrast, both before June 1975 and for a period of time beginning in January 1978, ALP, LPK and the other Alaska timber firms engaged in vigorous competitive bidding.

We examined company files pertaining to all of the USFS timber offerings in question and examined witnesses extensively on this subject. We also asked the companies to spell out in their interrogatory answers their reasons for not bidding on particular offerings.

Our investigation failed to develop evidence that ALP and LPK, or either of them, acting together or in concert with any other Alaska timber company, agreed or conspired to boycott any USFS timber offerings. The witnesses whom we examined denied the existence of such an agreement or conspiracy, or of any communication or transaction between two or more companies from which an agreement or conspiracy could reasonably be inferred. The witnesses explained the failure of their respective companies to bid on particular offerings as being based on legitimate business grounds, which the witnesses spelled out in their testimony.

We found the witnesses' testimony to be consistent with the voluminous internal company records that we examined. The evidence we developed supports the companies' position that there were valid business reasons why ALP and LPK and the other Alaska firms did not bid on most of the USFS timber offerings during the period June 1975 to January 1978. Briefly summarized, these reasons included the following:

1. ALP and LPK both enjoyed the benefit of long-term timber contracts with the USFS, which enable them to obtain timber from dedicated tracts at an accounting cost generally below the cost of non-long-term contract timber offered for sale by the USFS through the bidding process. ALP's and LPK's requirements for non-long-term timber decreased significantly during the period 1975-1977 in response to a decline in demand for timber and timber products. In consequence, the two companies could secure needed supplies from their dedicated tracts.

2. During this period ALP was approaching the end of five-year rate periods under its two long-term contracts with the USFS. In order to take advantage of existing favorable rates under those contracts before their renegotiation, ALP cut as much as possible of the volume allocated under those contracts during the rate periods. ALP's need for timber from other sources declined accordingly.

3. — While Alaska Timber, Mitkof and Schnabel did not have similar long-term contracts with the USFS, they each had long-term supply arrangements with ALP and LPK, which enabled them to meet their own needs during this period for the most part without having to secure timber by bidding on USFS offerings.

4. In May 1975 the USFS began to utilize 1973 end product prices in determining 1975 stumpage values, i.e., minimum selling or upset prices, when offering timber for sale by auction. The companies believed these values to be excessive in light of then current market conditions and the fact that the companies' logging costs increased substantially from 1973 onwards, in part due to a sharp increase in the price of oil and oil-based products.

5. Concerns as to the quality of the timber offered, high logging costs, decreasing end product demand and other business factors led ALP, LPK and the other timber companies independently to decide against bidding on particular timber offerings.

While we do not believe that the evidence would warrant a finding of an unlawful boycott, we found two aspects of the situation to be troubling. One is the fact that ALP and LPK had long-term supply arrangements with Alaska Timber, Mitkof and Schnabel, which enabled these companies to purchase timber from ALP and LPK in lieu of having to bid on USFS timber offerings. However, we found no evidence that ALP and LPK granted these long-term supply contracts to the three firms specifically for the purpose of inducing them not to bid on USFS offerings.

The other troubling aspect, which we discuss more fully below, is that during this period of time ALP and LPK exercised or were in a position to exercise substantial control over the operations of these three timber firms. We did not, however, discover evidence that ALP or LPK in fact directed any of these other firms to refrain from bidding on USFS timber offerings.

Although troubling, these two factors alone are not sufficient, in our judgment, to establish inferentially the existence of an unlawful boycott, particularly in view of the evidence presented by the companies that there were independent business reasons for their failure to bid on individual USFS offerings and the sworn denials by all of the witnesses we examined as to the existence of any understanding or agreement to boycott the offerings.

We also investigated the possibility of an organized boycott not to bid on the Broken Key offering in February 1981 and on several USFS timber offerings in the latter half of 1982. For substantially the same reasons as stated above, we do not believe that the evidence would warrant a finding that the Alaska timber companies engaged in an unlawful boycott of these offerings.

Preclusive Bidding. You asked us to investigate a possible instance of preclusive bidding by ALP and LPK in connection with the 1979 North Irish Creek timber sale. The facts of that incident are briefly set out below, followed by a statement of our reasons why we believe that the evidence is insufficient to sustain a claim of predatory conduct violative of the antitrust laws.

On September 28, 1979, the USFS offered for sale, by open auction following the submission of sealed bids, a large tract of timber on Kupreanof Island in southeast Alaska. The tract included large stands of hemlock, spruce and yellow cedar.

Based on its own appraisal of the timber, the USFS placed an upset or minimum price of about $1.6 million on the offering. Appraisals made by ALP and the other companies indicated that the market value of the timber, particularly the yellow cedar, was far higher. It also appears that the USFS underestimated the proportion of the timber represented by the high-value yellow cedar.

Prior to the auction, LPK and ALP separately made careful analyses of the value of the timber and of their own respective logging, manufacturing and related costs. LPK calculated that it would reach a break-even point if bidding went to the level of about $9.8 million. ALP's calculations indicated that it could bid over nine million dollars and still make a profit, even without regard to credits of some $4,250,000 available from the USFS for road construction in connection with the cutting and removal of the timber. ALP instructed its representative at the auction, Donald Soukup, to bid up to eight million dollars and then to obtain further instructions before bidding higher.

The auction was held in Petersburg, Alaska, on September 28, 1979. The companies represented at the auction were ALP, LPK, Alaska Timber and the Overland Trading Company ("Overland"). The last-named company was a newcomer to the Alaska timber business. The other bidders were not aware, prior to the commencement of bidding, of Overland's interest in entering the market.

Bidding started in the range of the USFS upset price and climbed steadily. Alaska Timber dropped out of the bidding at $5.7 million. LPK's final bid was under $7.2 million, well below its break-even level of $9.8 million.

ALP and Overland continued to bid after LPK dropped out. At brief recesses called by Soukup during the bidding, he checked by telephone with his superior, Jim Rynearson, a senior vice president at ALP, for further instructions. Rynearson himself was in continuing consultation with ALP's chairman of the board and others, including one ALP accountant. This group made additional calculations during the course of the bidding to determine how high ALP could go. Rynearson successively instructed Soukup to bid up to $12.5 million. Rynearson was prepared to instruct Soukup to go even higher, but due to a misunderstanding Soukup did not follow his instructions to call back when the bidding passed that level. ALP bid $12,250,000. Overland then bid $12,750,000. At this point Soukup withdrew from the bidding, and Overland won the contract.

Overland proved financially unable to carry out the purchase, and shortly afterwards was acquired by Alaska Timber, which thereby took over the contract.

Based on these facts, it seems clear that neither Alaska Timber nor LPK bid preclusively. Both companies stopped bidding well below the price level at which the profitability of the purchase could be drawn into serious question. We have no evidence that these two companies, or either of them, acted in concert with ALP in an effort to outbid Overland.

The situation as to ALP is less clear-cut. ALP's final bid was well above the upper bidding level indicated by internal estimates made prior to the commencement of bidding, at a time when ALP had not yet learned of Overland's interest. At the auction ALP's representative, Soukup, might have bid even higher but for his misunderstanding of Rynearson's instructions.

A key assumption made by ALP's management in allowing Soukup to bid up to $12.5 million was that yellow cedar could be sold for at least $1600 per thousand board feet. At the time it was selling for approximately $1150 to $1200 per thousand board feet. Rynearson testified that the assumption of a higher selling price was reasonable since the market for yellow cedar was favorable, and that in fact yellow cedar prices rose above $1600 for some period of time after September 1979. Rynearson admitted, however, that within less than a year prices declined substantially.

Another negative factor that we believe must be taken into account is the District Court's finding in the Reid Brothers case that, prior to 1975, the defendants had engaged in unlawful preclusive bidding to block the establishment of effective competition; this finding was specifically confirmed on appeal. 2/ In 1979 ALP, as well as the other established

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2/ 699 F.2d 1292 (9th Cir. 1983) at 1297-98. The Court of Appeals noted (id. at 1298, n.5) that on all the evidence a finding of unlawful predation by preclusive bidding was proper even though there was no evidence that the high prices paid for standing timber would prevent the defendants from covering their marginal costs on the ultimate sale of the processed timber. The Court held that such proof was not required where the direct evidence established an intent to exclude competition in order to enhance the defendants' long-term market position.

(footnote continued on next page)

Alaska timber companies, obviously had an incentive to keep Overland from winning a major contract and thereby establishing itself as a rival timber firm in southeast Alaska.*

On balance, however, while the matter is not free from doubt, we do not believe that the evidence would justify a finding that ALP bid in an unlawfully predatory manner to exclude Overland from the Alaska timber business. Rynearson denied that his company bid high in order to keep Overland from winning the bid. We are aware of no documents from ALP's files that would support a finding of predatory intent. Taking into account available road credits of some $4,250,000, and assuming a selling price of $1600 per thousand board feet for yellow cedar, ALP could justify bidding to and even above the level of $12.5 million without facing a certain sales loss. The fact that Overland chose to bid $12,750,000, some $500,000 more than ALP's final bid, and that shortly after the bidding Alaska Timber acquired Overland in order to take over the contract, strongly suggests that ALP acted on the basis of legitimate business considerations. A further legitimate reason for ALP's bidding high on the North Irish Creek timber offering was the proximity of the tract to one of ALP's established logging camps: winning the bid would have allowed ALP to avoid or defer substantial closing-down costs.

Control by ALP and LPK Over Other Alaska Timber Companies. We investigated the extent to which ALP and LPK have been in a position to or have exercised control over three other, nominally independent, timber companies operating in southeast Alaska, i.e., Alaska Timber, Mitkof and Schnabel. Based on our investigation, we concluded that:

1) ALP and LPK exercised varying degrees of control over these three firms through the 1960's and into the mid-1970's.

(footnote continued from previous page)

We have some question as to the correctness of this legal standard: Since the objective of every bidder is to outbid its rivals and thereby gain the contract, every bidder can be said to have a subjective "intent" to exclude the others. It would be difficult to distinguish this legitimate and ever-present intention to prevail in the bidding from the type of predatory intention that the Court of Appeals viewed as unlawful. In any event, our investigation did not reveal the continued existence of the predatory intent established by the evidence in the Reid Brothers case.

2) ALP's and LPK's control over these firms has now been largely eliminated, and they are currently operating on an independent basis.

3) While continued ALP and LPK control over the firms might present antitrust concerns, the only relief that a court would be likely to grant is divestiture, which the parties have now accomplished voluntarily. Accordingly, initiation at this time of a legal action to secure divestiture would be unnecessary and unwarranted.

Control by LPK Over Alaska Timber. In order to finance completion of the construction of a sawmill in 1971-1972, and because such financing was unavailable from local banks, Alaska Timber entered into complex loan and lease arrangements with LPK's predecessor company and a subsidiary of that predecessor. The arrangements were attractive to LPK because Alaska Timber's sawmill site was near some of LPK's long-term contract timber. As part of the arrangement, Alaska Timber sold its partially constructed mill to LPK, which completed the construction; leased the mill back with an option to renew the lease or buy it in ten years; incurred a total obligation to LPK of $2.4 million; committed its entire end-product production, including chip by-product, to LPK; and obtained a long-term log sales contract from LPK. In 1975, because of the existence of these arrangements, which effectively gave LPK control over Alaska Timber, the Small Business Administration ("SBA") withdrew Alaska Timber's small business certification. Alaska Timber thereby became ineligible to bid on SBA set-aside sales.

The end-product and log sales agreements were modified in 1975 specifically for the purpose of making Alaska Timber eligible for small business certification. However, it was not until after these two agreements were cancelled in 1977 that SBA recertified Alaska Timber.

Because of disputes over log prices, log supplies and lease payments, LPK agreed in 1978 to give Alaska Timber an option to buy back the Alaska Timber mill and agreed to a short-term custom-cutting arrangement that allowed Alaska Timber to pay off its debt to LPK. Alaska Timber exercised its option to repurchase the mill in November 1979 and obtained releases from all of LPK's remaining financial claims against Alaska Timber. Since that time Alaska Timber has had no financial obligations to LPK except for accounts payable on minor log purchases.

Control by ALP Over Mitkof. During the period 1966-1976 most of the logs run through Mitkof's mill came from the Kake Number One sale, which was awarded to Mitkof as a joint venture partner with Wrangell Lumber Company ("Wrangell"), an ALP subsidiary. Most of the end products produced by Mitkof during that period were sold to Japanese customers by Wrangell acting as Mitkof's agent.

In March 1974 Mitkof stockholders sold a significant share of their stock to Fred Tebb & Sons ("Tebb"), then a minority shareholder in Mitkof. To acquire the stock, Tebb borrowed $403,000 from Wrangell on generous terms. Tebb pledged its shares in Mitkof as security for the loan and executed an agreement granting Wrangell an option, exercisable until 1993, to buy 40 percent of Mitkof's capital stock and a right of first refusal on any Mitkof shares offered for sale by Tebb. The option agreement also prohibited Tebb, without Wrangell's consent, from voting its shares in favor of certain corporate actions. Concurrently Mitkof and Wrangell entered into a long-term log sales agreement under which Wrangell agreed to sell logs to Mitkof and Mitkof agreed to sell back to Wrangell cants produced from those logs. Under the terms of the agreement, Mitkof bound itself not to increase its sawmill capacity without Wrangell's consent.

Because these arrangements gave ALP control over Mitkof, SBA decertified Mitkof as a small business in 1981. Shortly thereafter, the 1974 pledge, option and log sales agreements were terminated, and the note was renegotiated. As a result, ALP no longer had the right to obtain Mitkof stock upon default of the Tebb loan, and Mitkof was no longer obligated to use ALP as its agent for export sales. SBA recertified Mitkof.

Our investigation determined that at the present time Mitkof obtains most of its logs from SBA set-aside sales or independent loggers, not from ALP. During the past eight years Mitkof has expanded its production six or seven fold without seeking ALP's permission. Because Mitkof is not located in or near a deep-water port and because the nearest such port is Wrangell, where ALP is headquartered, Mitkof still uses ALP's facilities to export its products. We understand that Mitkof is currently looking for alternative deep-water sites for its mill.

Control by ALP Over Schnabel. In 1960 Schnabel and ALP entered into a ten-year lumber sales agreement under which Schnabel sold all of its export lumber to ALP. The agreement was renewed in 1970 and remained in effect until at least

1977. This arrangement was attractive to Schnabel because ALP provided financing for mill improvements and log acquisitions and assured Schnabel that it would buy Schnabel's output. To secure the financing provided to Schnabel, Schnabel and ALP in 1971 entered into a loan agreement restricting, among other things, expansion of Schnabel's production activities and sale of its assets. In 1975, at ALP's suggestion, Schnabel discontinued its logging operation, sold its logging camp to ALP, and began processing logs ALP agreed to supply to Schnabel.

In 1977 Schnabel discontinued operations altogether and entered into a new loan agreement with ALP that eliminated the restrictions on Schnabel's activities but allowed ALP to retain its security interest in Schnabel's property. In 1979 Schnabel restarted operations upon obtaining commitments from the State of Alaska to make state-owned timber available for purchase by Schnabel and to provide financial assistance. At that time Schnabel continued to sell the majority of its end products to ALP. In 1980 Schnabel terminated its long-term chip agreement with ALP.

Between 1981 and December 1983 Schnabel again closed down its operations. In December 1983 John Schnabel, the owner of Schnabel, sold the company to Michael Chittick. At the same time ALP agreed to cancel Schnabel's debt, which by then had reached $2.5 million, in return for 25,000 tons of chips. We understand that the new owner, Michael Chittick, intends to sell cants to the People's Republic of China and lumber to oil companies on the North Slope, thus ending ALP's role as Schnabel's principal customer and agent for export sales.

Document Destruction Incident. In the third week of July 1983 an administrative staff assistant at ALP caused the destruction of several boxes of documents located in ALP's executive offices in Sitka, Alaska. ALP informed us of the incident in response to one of our interrogatories. The destroyed documents included, among other items, copies of correspondence with Tokyo concerning the operation of ALP's Woods Division and correspondence relating to timber sales. The destroyed documents apparently included some materials relating to other timber companies and to marketing and competitive conditions.

This incident was of concern to us because ALP management knew in July 1983 that we were planning shortly to issue CIDs in connection with our current investigation, and in fact a CID was served on ALP within a week after the document destruction. We had informed the Subcommittee on Mining, Forest Management and Bonneville Power Administration at the public hearing held on June 29, 1983 of the Division's intention to serve CIDs on ALP (as well as LPK). ALP was represented at the hearing.

A careful investigation of the incident has persuaded us, however, that we could not prove beyond reasonable doubt that the destruction was undertaken willfully to deprive us of documents relevant to our inquiry. According to his sworn testimony, the administrative assistant who ordered their destruction acted on his own and without consulting ALP's legal counsel. He did so as part of a general clean-up of ALP's executive offices in Sitka, Alaska, in preparation for a visit by ALP's new president. The testimony indicates that no attempt was made to select for destruction documents that might be damaging to ALP's interests from the standpoint of our investigation. There also was testimony that the destroyed documents were not originally located in regular office files, but in cardboard boxes sitting in the executive offices or stacked on cabinets. We have no evidence to refute this testimony. The files of ALP's Woods Division, which were the files of principal interest to us, were maintained in separate facilities at ALP's offices and were not destroyed. In sum, while the timing of the incident aroused our suspicions, we have not been able to develop further evidence to support a criminal charge of willful obstruction of justice.

* * * * *

This letter summarizes our recent investigation of ALP's and LPK's conduct since 1975 and our findings and conclusion that there is no basis for antitrust proceedings against the companies. The investigation confirmed, for the most part, the findings we reported to the Department of Agriculture on the conclusion of an earlier investigation (see my letter of January 4, 1983). We do not believe that any further investigation of the same matters would be warranted.

Sincerely,

Helmut F. Furth
Deputy Assistant Attorney General
Antitrust Division

Enclosure

Appendix A

Witnesses Examined Under Oath

1. Vernon L. Eliason, Chief Logging Engineer of ALP since 1971 (examined on November 1, 1983).

2. Donald Soukup, Logging Manager of ALP from 1976 through 1982 (examined on November 1, 1983).

3. James Rynearson, Senior Vice President of ALP and Manager of its Woods Division (examined on November 2, 1983).

4. George Woodbury, Logging Manager of LPK (examined on November 2, 1983).

5. Martin Pihl, Controller of LPK (examined on November 3, 1983).

6. Donald Finney, former Logging Manager and Vice President for Government Relations of LPK (examined on November 3, 1983).

7. Merle Mosar, General Manager of LPK from 1976 to 1980 (examined on November 4, 1983).

8. Edward Head, President and General Manager of Alaska Timber (examined on December 8, 1983).

9. Atsuo Tsunoda, Assistant Secretary of the Sitka Alaska Administrative Office of ALP (examined on December 14, 1983). */

10. Elaine Strelow, Administrative Office Secretary, Sitka Office of ALP (examined on December 14, 1983). */

11. Becky Lichtenhagen, Accounting Department staff member of ALP (examined on December 14, 1983). */

12. Cathi Markegard, Accounting Department staff member of ALP (examined on December 14, 1983). */

13. Edward Lapeyri, President and General Manager of Mitkof (examined on December 15, 1983).

14. John Schnabel, President and General Manager of Schnabel (examined on December 15, 1983).

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*/ Examined in connection with our investigation of the document destruction incident described in the letter.

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November 19, 1987

The Honorable Dale Bumpers, Chairman
Subcommittee on Public Lands, National Parks and Forests
Senate Energy and Natural Resources Committtee
United States Senate
Washington, DC 20003

Dear Chairman Bumpers,

The Southeast Alaska Conservation Council greatly appreciated the opportunity to testify before your committee on November 5, 1987 in support of S. 708, the Tongass Timber Reform Act. We would like to thank you and your hard working staff for all the effort that went into conducting these hearings. You and other committee members asked many good questions about the complex topic of proper management of this grand, old growth forest. The remainder of this letter presents SEACC's responses to questions from committee staff as well as our own responses to a number of statements made during the hearings. We respectfully request that our comments be made a part of the official hearing record regarding S. 708.

1. Only one-third of commercial forest land in Wilderness is operable.

Throughout the hearings, Senator Murkowski attempted to make direct comparisons between the 1.4 million acres of commercial forest land in Wilderness on the Tongass and the 1.7 million acres of commercial forest land outside of Wilderness that is scheduled for timber cutting. The comparison is invalid. Scheduled timber is operable timber, or timber that can be physically harvested under normal conditions. Thus, 1.7 million acres of the commerical timber outside of Wilderness is scheduled for harvest. Of the 1.4 million acres of commercial forest land in Wilderness only 504,000 acres is operable timber that could be physically harvested if it were not in Wilderness. As a side note, according to a Forest Service printout dated October 27, 1987, of the 180,000 acres of commercial forest land located in Wilderness that is over 30,000 board feet per acre, only 74,000 acres is operable.

Thus, a more valid comparison is between the 1.7 million acres of timber scheduled for harvest outside of Wilderness and the 500,000 acres of operable timber in Wilderness. Conversely, it would be accurate to compare the 1.4 million acres of commercial forest land in Wilderness to the over 3 million acres of commercial forest land outside of Wilderness (plus the 317,000 acres of high volume timber already cut on the Tongass).

2. Many Tongass Land Management Plan assumptions in 1979 were faulty.

Mr. K.J. Metcalf testified for SEACC that many of the key assumptions upon which the Tongass Land Management Plan (TLMP) was based have since proven faulty. This is important considering the extent to which Congress relied upon the 1979 TLMP in hastily drafting Section 705 of ANILCA in the last days of the 96th Congress. As Mr. Metcalf noted in his testimony, one of the key promises of the plan was that a timber harvest of 450 million board feet per year could be sustained without harm to the region's fish and wildlife resources. Many of the panelists from southeast Alaska spoke eloquently on this point during the hearings.

The economic assumptions of TLMP have proven faulty as well. An insightful paper prepared at the Northern Arizona University School of Forestry summarizes the key economic assumptions in TLMP during its preparation in 1978 and compares them to what actually transpired in southeast Alaska. (Sisk, John, "A Historical Analysis of Forest Management and Policy on the Tongass National Forest in Southeast Alaska," Northern Arizona University School of Forestry, May 14, 1987, unpublished.) The following is a summary of Sisk's key points:

Assumption circa 1978: Tourism business and related employment will remain at 1978 levels for the foreseeable future. This sector will provide few if any new jobs.

Fact: Tourism became the major growth industry in southeast Alaska in the years 1980-1985. In 1979, direct employment in tourism accounted for 29% of direct employment in non-government industry. By 1984 tourism had grown to 40.5% of this job pool.

Assumption circa 1978: Commercial salmon harvests recently hit an all time low and are unlikely to improve dramatically in the next decade. The new "limited entry system" for managing salmon harvest will result in a decline in the number of fishing jobs provided. Employment levels in commercial fishing will remain relatively constant or decline.

Fact: Salmon production went up dramatically from a modern low of 25 million pounds in 1975 to a record catch of 210 million pounds in 1985. (Ironically, the timber industry and the Forest Service are fond of pointing this out, implying that timber cutting on the Tongass is somehow responsible.)

Assumption circa 1978: The market for Tongass wood products will expand overall. The market for dissolving pulp will likely improve. The cant market may decline slightly as a result of competition with round logs exported by Native corporations, but a recovery in the Japanese economy will result in higher demand and prices for cants.

Fact: The market for southeast Alaska timber underwent a major contraction after 1980. Excerpts from a 1985 Forest Service report to Congress on timber supply and demand tell the story:

"For the Southeast timber industry, 1985 was the fifth year in a row of poor market demand for pulp, cants, and lumber...."

"The Alaska pulp industry faces a decline in worldwide markets for dissolving pulp as well as competition from less costly suppliers...."

"To regain its market share and expand trade, the Alaska timber industry must develop new products and/or markets. Otherwise, a major restructuring of the Alaskan timber industry is anticipated...."

Assumption circa 1978: Both pulp mills will operate at full annual capacity in the 1980s.

Fact: In 1985, a spokesman for the Alaska Pulp Company estimated that the Sitka mill lost $26 million that year and operated at only 60% of capacity. Louisiana Pacific-Ketchikan reported heavy losses that year as well.

Assumption circa 1978: The pulp companies will bid competitively against each other on timber sales outside of their contract areas. This will ensure stumpage payments above base rates.

Fact: Two years after TLMP was finalized, a federal court found APC and LPK guilty of systematice anti-trust violations and non-competitive bidding practices on the Tongass. In 1981, the two mills renegotiated their stumpage rates from approximately $200 per thousand board feet to the base rates of $2.00 per thousand. The Forest Service also uncovered a pattern of fraudulent bookkeeping practices, effectively cheating the U.S. government out of $60-80 million dollars.

Assumption circa 1978: The best prospects for economic growth and prospertiy in the next decade are with the timber resource.

Fact: Employment in the timber industry fell from over 3000 jobs in 1980 to only about 1900 jobs in 1984. In the same period, indirect employment in timber industries fell from 1280 to 900 and direct earnings for the timber sector of the economy fell from $123 million to $85 million.

Assumption circa 1978: The main factor that will limit employment in the timber industry will be the availabilty of a raw material supply from the Tongass National Forest. High supply levels will effect high employment rates in the industry. Reduced supply levels will limit the industry and reduce employment.

Fact: The Forest Service reported to Congress in 1986: "Because of overriding effects of poor market demand, timber supply has not been a limiting factor....The Forest Service has taken steps to maintain timber supplies despite the poor demand for Alaska timber."

Assumption circa 1978: Native corporation timber harvest levels will be based on sustained yield rather than maximum financial value, and will contribute only about 130 million board feet per year to the regional harvest. Since employment is directly related to harvest level, and Native round log exports will not create processing jobs, the contribution of Native timber management to regional employment will be modest.

Fact: Alaska Native corporations cut 50% of the region wide annual timber harvest in 1983 and 45% in 1984. These private land timber harvests exceeded 200 million board feet in 1982-1984. As the timber market collapsed, the Native corporations were forced to liquidate more timber in order to pay debt service costs associated with initial capitalization. Thus, the corporations cut timber on the basis of financial criteria rather than sustained yield.

3. Passage of S. 708 will aid TLMP Revision.

Proponents of S. 708 are not trying to stop the revision of the Tongass Land Management Plan. Indeed, SEACC has been deeply involved in the TLMP revision process thus far and will continue to be involved as it unfolds. The fact is that S. 708 will assist the completion of the revision and help the Forest Service planning effort. Removal of the inflexible "450" million board feet per year timber supply goal will untie the hands of the agency professionals. The revision will be a better product as a result.

4. Roads on Prince of Wales Island are controversial.

The representative of the Southeast Conference testified that one of the benefits of the Tongass timber program was the extensive network of logging roads connecting communities on Prince of Wales. Interestingly enough, six small communities on Prince of Wales have passed resolutions against the timber program; half of these communities are connected by the road system mentioned by the Southeast Conference. For the record, the Southeast Conference in not an official governmental body, but merely a self-styled chamber of commerce in the region.

5. The Redwoods "buyout" is not relevant to the Tongass.

Many times during the hearing, the timber industry made reference to the "Redwoods buyout" as a comparison to the Tongass should Congress choose to cancel or modify the long-term 50 year contracts enjoyed by the two large pulp mills in southeast Alaska. This comparison is invalid on several counts. First, the "Redwoods buyout" was a Congressional action to purchase private land and private timber and make it public land and public timber. The Tongass National Forest is public land and the two pulp mills have a contract with the U.S. Government which includes rights and responsibilities for both sides.

Second, no one wants to "buy out" the two pulp mills--except perhaps the two pulp mills. If Congress wanted to "buy back" anything, it might wish to re-purchase the cutting rights to public timber contractually obligated to the two mills. At the current base rates of $2.00 per thousand board feet, the total cost of this would be only $12-15 million. You may recall the National Forest Product Association testimony at the hearing that spruce is currently selling for $573 per thousand board feet, and still rising (see page 6 of their written statement).

6. Wilderness recommendations for the Tongass in 1979 had a long history.

The timber industry gave an interesting version of the way in which Wilderness was recommended and adopted by Congress for the Tongass. In fact, Tongass Wilderness recommendations were part of a nation-wide effort to review and evaluate all the roadless areas in the National Forest system for their potential as designated Wilderness. This program of the Carter Administration was known as RARE II. Wilderness proposals for areas in the Tongass have a much longer history of citizen interest. The West Chichagof Wilderness proposal was first offered in 1967; Wilderness for the Yakutat Forelands was first proposed in 1970 by concerned conservationists in our region. Part of the Chichagof proposal and all of the Yakutat proposal remain outside of Wilderness today and deserve lasting protection.

7. The "450" timber cut allowed for timber industry expansion.

Senator Ted Stevens claimed during the hearings that the 450 million board foot cut level "would never allow the timber industry to expand." Contrary to this statement, the Tongass Land Management Plan in 1979 projected a slight growth in the region's timber industry using the assumptions later codified in Section 705: "Timber-related employment increases slightly over the 1970-76 average at a 450 million board feet/yr harvest from the National Forest plus State and private timber."

Chairman Bumpers, we sincerely appreciate this opportunity to address the statements made during the hearings on S. 708. We at SEACC thank you for your interest in the integrity of the Tongass National Forest. For the record, I have attached an article in the Juneau Empire quoting Congressman Don Young's staff that your concern is echoed by "literally hundreds of...Alaskans."

Best regards,

Bart Koehler

Bart Koehler
SEACC Executive Director

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JUNEAU EMPIRE

FRIDAY, OCTOBER 30, 1987

Grassroots opposition fuels Tongass debate

THE ASSOCIATED PRESS

KETCHIKAN – A grassroots campaign against timbering in the Tongass National Forest is fueling attempts in Congress to cancel 50-year timber contracts with pulp mills here and in Sitka, says a congressional aide.

"In the last two months we have received literally hundreds of letters from Alaskans" calling for an end to timber harvesting for the pulp mills and protection of fishing and scenic resources in the Tongass, said Dan Kish, an aide to Rep. Don Young, R-Alaska.

Kish works with the House Interior Committee, the first group that will debate the cancellation bill introduced by Rep. Robert Mrazek, D-N.Y. Young is a ranking minority member of the committee.

ALASKA NEWS

"All of these letters have been sent to other congressmen, too," Kish said. "It's very well orchestrated."

Kish said the letters have come from cities throughout Southeast – including Ketchikan, Juneau and Wrangell – as well as Anchorage and Fairbanks.

"Something's going to happen to the Tongass. People shouldn't make any mistake about it – it's a real threat," he said.

The bill Mrazek proposed Tuesday, the Alaska Timber Contract Modification Act, acts in concert with another Mrazek-sponsored bill, the Tongass Timber Reform Act, Kish said.

A third related bill, proposing an additional 1 million acres of wilderness, should emerge in early December, he said.

Young is against the bill.

But in the rest of the House, Kish said, "It's not clear cut – excuse the pun."

One problem congressmen will have to consider is liability for breaking the contract, Kish said.

A similar situation arose in northern California in the late 1970s when Congress authorized expansion of Redwoods National Park, he said. The addition of 30,000 acres to the park has cost the government more than $1 billion in payments to workers and industries affected by the purchase, he said.

APPENDIX II

Additional Material Submitted for the Record

Founded 1875 P.O. Box 2000 Washington DC 20013 telephone (202) 467-5810

Statement of

R. Neil Sampson

Executive Vice President
American Forestry Association

on

S. 708, THE TONGASS TIMBER REFORM ACT

Mr. Chairman, Members of the Committee.

The American Forestry Association is a 112-year-old organization of citizens interested in the welfare of America's forests and trees. We are submitting this statement because we believe that what goes on in the Tongass National Forest in Southeast Alaska affects all Americans.

Some years ago, a compromise was struck in Congress which apparently satisfied all interests. In return for a sizable wilderness set-aside in the Alaska National Interest Lands Conservation Act of 1980 (ANILCA), timber management in Southeast Alaska was intensified as a way of protecting jobs and communities in that region. That seemed to work, for a while at least, but conditions changed, and the law now appears to be obsolete.

We have listened to the argument that "a deal is a deal." We have also listened to the very real concerns of people who feel that the special treatment given to the Tongass in recent years was a reasonable accommodation in light of the intensely political climate in which wilderness areas in the Forest were established before the forest planning process was allowed to complete its work. But today, we believe the facts demonstrate that a bad deal is a bad deal. We feel the situation has reached a point where a new solution must be sought. As a result, we support S. 708, which looks like a way to provide a more rational management to the forests of the area, but with a modification that would recognize the need to provide fair treatment to the people and communities of Southeast Alaska.

Southeast Alaska is being described today as a disaster area. I don't know about that, but it certainly can be portrayed as a battleground, and the casualties include, unfortunately, the regional economy, the ecological integrity of the Forest, and the stability of the region's communities. Each year millions of dollars are spent constructing forest roads that have little or no chance of a future economic return, but do cause ecological disruption. The timber economy, and the people and communities that depend on it, totter through a discouraging morass of lost markets, unemployment, and decay. And meanwhile, Alaskans are pitted against Alaskans, against "outsiders" from the lower 48, and the Forest Service and the timber industry are lined up against just about everybody else in a nasty controversy that no one can win. That, clearly, is a disaster. For everyone, and for the forest as well.

The Forest Service gets most of the public blame for the current mismanagement in the Tongass, but it is our feeling that this is a bum rap. The causes are several, diverse, and complex, but the American Forestry Association believes a principal culprit is a practice that might be called "management by statute." The Tongass has been, and continues to be, managed under prescriptive legislation that pre-empts rational management decisions by the Forest Service.

Section 705(a) of The Alaska National Interest Lands Conservation Act of 1980 has been interpreted as directing the Forest Service to offer for sale, regardless of market conditions, 4.5 billion board feet of timber per decade. Also directed is the expenditure of at least $40 million annually to maintain the timber supply to dependent industry, largely through the construction of timber access roads. The timber must be offered for sale regardless of the market's economic climate, and the roads are to be built regardless of actual need. In other words, this is a provision which lets the timber industry harvest logs when the market is right and turn into road construction firms when the market is down. Obviously, we have been going through a very bad market situation, so the recent years have seen more road building than would occur in a good economy.

The problem with this 1980 deal is that it locks spending into one aspect of the situation on the Tongass -- timber supply and roads -- without really dealing with some basic issues of forest integrity and economic stability. But laws are not easy to change, and when a Forest's direction has been set by legislation, it is far too inflexible to be practical. If nothing else, the furor of the Tongass debate proves that. We think it also proves a principle -- dictating the management details of any National Forest by federal legislation is doomed to failure.

The American Forestry Association believes the timber management program on the Tongass should be developed on the basis of the resource capacity of the Forest, as outlined in a modern forest plan, completed and periodically updated in response to the National Forest Management Act of 1976. Annual timber sales volumes, and road construction progress, should be shaped in the short term by signals from the market place. The Tongass timber program should not be directed by Congressional mandate, any more than any other National Forest should be.

We also believe that an annual allocation of development funds, above the timber sale program established by the forest plan, is justified in light of the history of Alaskan land management decisions dating back to ANILCA. But these funds should be used in a much-broadened program, so as to best serve both the local economy and the environment.

We urge Congress to provide a fund to help support the economy of Southeast Alaska, and buffer it against the wide swings that characterize a region dependent upon one major resource-based commodity such as timber. But we would propose that this become the "Tongass Multi-resource Investment Fund," that could be used in a variety of ways to strengthen the natural resource-based economy of the region. For example, it could improve fish and wildlife habitat, develop better facilities, management and interpretation programs to increase recreational revenues, or initiate a system of marine management areas, in addition to helping foster a rational program of timber development.

This concept would permit the Tongass' professional managers to more fully respond to the many and various multi-resource needs in Southeast Alaska. We realize that the timber economy is important, and it should be allowed to operate at a controlled pace, in the face of market conditions and environmental safeguards. But no region can rest on one economic leg, and to force investments in timber roads while other resource investment needs go begging is to waste money, mis-manage natural resources, and miss opportunities.

Repealing the legislated forest management provisions of the Alaska National Interest Lands Conservation Act of 1980, and establishing a Tongass Multi-resource Investment Fund, will relieve some of the immediate crisis on the Tongass. It will give time for the current forest plan revision process, which will take at least 2 years to produce a workable draft, to sort out the resource facts and help establish a new basis for management decisions.

But that is clearly not enough.

The revised forest plan must provide a longer range analysis, diagnosis and prescription that can identify some of the policies and processes of policy making that have produced the current controversies, and to suggest both better ways of doing things, and better things to do.

We are preparing to contribute to such a task. We have drafted a proposed program of study, prescription, and mediation entitled, "The Tongass: A Search for Solutions." It will entail a thorough documentation of the policy history of the Tongass, in both substantive and procedural terms; an evaluation of that history and its social and ecological consequences; and some suggestions for using mediation and conflict resolution techniques as a basis for developing acceptable alternatives for the future.

Throughout our history, the American Forestry Association has often served in a "process facilitator" role, and we hope to do so again. We are seeking cooperators and funding sources for the study. We are anxious to get started.

We don't know what the final outcome will be, of course, but we are confident the result will propose a more flexible and responsive management plan than would be provided by another dose of "management by statute." That approach, we think, has been proven too unwieldy. We encourage the Congress to take the first steps toward untying the legislative strait jacket now wrapped around the Tongass by approving S. 708, modified in the manner we have suggested.

We would be pleased to respond to any questions. Thank you.

9-15-87

OPINION

The Sacramento Bee
Locally owned and edited for 130 years

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ELEANOR McCLATCHY, *president, 1936-1978*

C K McCLATCHY, *editor*
GREGORY E FAVRE, *executive editor*
PETER SCHRAG, *editorial page editor*
FRANK R J WHITTAKER, *general manager*

Ted Stevens' folly

Give Alaska Sen. Ted Stevens credit — when he sets out to tap the federal treasury for the benefit of a few of his corporate constituents, he doesn't mess around. Thanks to a special provision he inserted in the Alaska National Interest Lands Act of 1980, American taxpayers have spent more than $250 million over the last five years to help two timber companies in the Alaska panhandle destroy the Tongass National Forest. Fortunately, Congress this year seems to be ready to put an end to Stevens' folly.

The act in 1980 designated 5.4 million acres of public lands in Alaska as wilderness, mostly rocks and ice. Only a tiny fraction contained any commercially valuable timber, but that didn't stop the loggers from complaining that their livelihood was being taken away. So Stevens cut a deal for them that's so sweet it ought to draw flies.

Under Stevens' provision, the U.S. Forest Service is required to spend a minimum of $40 million a year to bulldoze roads into the forest so that these two companies will be able to harvest at least 450 million board feet of timber every 12 months. There isn't any market for that much lumber, but that doesn't matter. The appropriation is permanent, not subject to review by Congress or anyone else, and the money has to be spent whether the two companies want the wood or not. In fact, 55 percent of the timber the Forest Service has prepared for sale in the Tongass in the last five years has never been sold. Last year, the government spent $7 million getting one section ready for a sale that didn't draw a single bid. But that hasn't stopped the Forest Service from lopping off another 17,000 acres from the forest and putting it up for sale every 12 months, just like a demented clockwork.

To top matters off, the two companies — one of which is Japanese-owned — pay next to nothing for the timber that they do take under the terms of some 50-year contracts they've negotiated with the Forest Service.

The scope of the resulting boondoggle almost beggars description. Last year, the gross receipts from Tongass timber sales added up to only $82,000 — the equivalent of about three hours' worth of the $200,000 a day that the Forest Service is spending. Overall, the taxpayers get back one penny in revenues on every dollar the government pays to help these companies grind up 200- and 500-year-old trees into pulp that's shipped to Japan to make cellophane and rayon. And it isn't even helping the economy of Alaska: In the five years since Stevens started this giveaway, employment in the Tongass timber trade has actually declined by more than 10 percent.

Congressman Robert Mrazek of New York and Sen. William Proxmire of Wisconsin are pushing legislation to repeal this ridiculous program and have already attracted 130 cosponsors, many of whom probably don't care a fig about stopping the destruction of America's largest national forest but who can't abide this waste of public funds. That's a good start. But the mess won't really be cleaned up until Congress also cancels those 50-year contracts with the Forest Service. That's the only way to ensure that the timber companies will pay what the lumber is worth and take only as much as the market can actually absorb.

4 Friday, October 23, 1987

The Topeka Capital-Journal **OPINION**

Editorials — *In God We Trust*

Save the Tongass and money

Whether viewed from an environmental perspective or an economic one, efforts in Congress to stop the wholesale slaughter of the Tongass National Forest make good sense.

First, the environmental considerations:

The Tongass, which stretches 500 miles along the archipelago in the southeast corner of Alaska, is the last remaining refuge of old growth temperate rain forest on Earth. Its 17 million acres of Sitka spruce and western hemlock provide more than beauteous forests. They are a prime part of an ecosystem that harbors abundant populations of grizzly bear, deer, trout and five species of salmon. It boasts the largest concentrations of bald eagles and brown bears.

All of that is being jeopardized by a National Forest Service program that allows clearcutting some 1.7 million acres of this unique forest. In addition to destroying 10 percent of this valuable habitat, more environmental damage would result from construction of 2,000 miles of new roads, often on uninhabited islands. Public transportation in the Tongass is provided by ferries. The only purpose for building the roads is to help the logging operation.

Now for the economical reasons:

The U.S. Treasury, which means U.S. taxpayers, is subsidizing this unnecessary harvest. In addition to the expense for building roads, the money also subsidizes the two commercial pulp mills in the Tongass by providing nearly free lumber. One of the mills is Japanese.

From 1982 to 1986, the Forest Service spent $287 million on Tongass lumber but took in only $32 million in receipts. That amounts to a $50 million loss each year. By the time this 50-year contract expires, it could cost American taxpayers $2 billion to $6 billion.

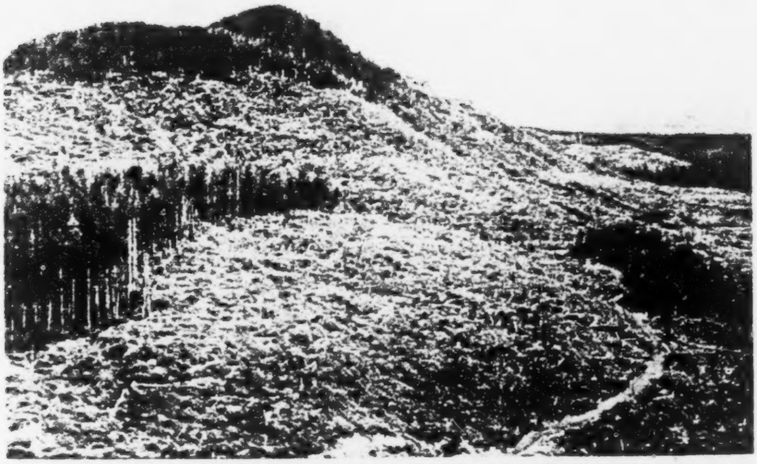
One of the justifications for this generous program, which does not have to go through the usual appropriation channels, was economic development, or jobs. But employment in the lumber industry has dropped in the region; the 1,800 jobs saved have cost taxpayers about $36,000 each per year.

The money is propping up a dying industry. The pulp is used in rayon and cellophane production, and both have limited markets. Meanwhile, legitimate, healthy tourist and fishing industries are threatened by this irresponsible harvest.

All of this is correctable. The Tongass Timber Reform Act would eliminate the automatic $40 million-plus subsidy and the mandated timber harvest goal. It would put the Tongass under the same management program as all other U.S. national forests.

The act has attracted support from such diverse groups as the National Taxpayers Union, the National Audubon Society and the United Fishermen of Alaska, to name a few. It also has attracted broad, bipartisan support in Congress. Kansans can count 2nd District Rep. Jim Slattery among the co-sponsors.

The bill would save both trees and money. Congress should jump at this opportunity.



Costly, mandated clearcutting is threatening Alaska's Tongass National Forest, the last temperate rain forest in the world. The Southeast Alaska Conservation Council, which provided these photographs, says that 200 years will pass before these clearcuts in the Tongass near Kake Alaska, are again producing the food necessary to sustain the Sitka black-tailed deer through southeast Alaska's harsh winters. This clearcut took place within the last five years. The Tongass Timber Reform Act would return the forest to the same management as other U.S. national forests and eliminate the automatic $40 million-plus subsidy for the lumber industry. The act, whose sponsors include 2nd District Rep. Jim Slattery, D-Kan., is discussed in the lead editorial on page 4.

Government-built roads for the lumber industry damaged the drainage on Chichigof Island in the Tongass National Forest. Residents of Tenakee Springs, a small subsistence village nearby, took the U.S. Forest Service to court and won, but only after the road was partially completed. The Tongass, which harbors the world's largest concentrations of brown bear and bald eagles as well as other wildlife, stretches 500 miles and covers some 17 million acres in the southeast Alaska archipelago.

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Sept 30 '87

Spare the land and the fisc

President Reagan is right about one thing. The country wouldn't miss some federal largesse if it were abolished. Trouble is, he doesn't have the heart to eliminate a subsidy if the beneficiaries are corporations instead of sick or needy people.

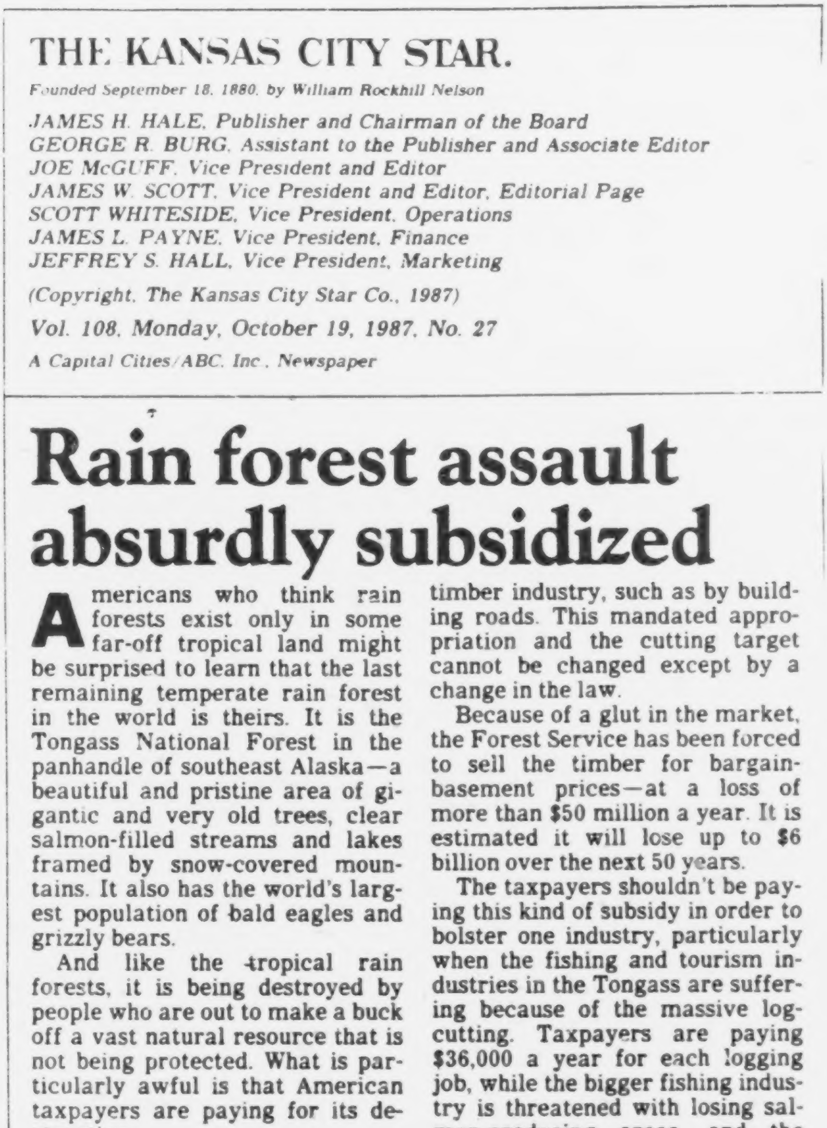
Instead of telling anecdotes about welfare clients, anyone who really wanted a spartan government would be making an example of the $247 million the federal government has spent since 1980 destroying the last large temperate rain forest in North America. But the United States Forest Service, with the administration's acquiescence, is trying to protect this unbelievably improvident program.

The Tongass National Forest runs along the Pacific coast in southern Alaska, where the temperate climate engenders the most magnificent rain forest in North America along with rich salmon streams and alpine meadows. The Forest Service persuaded two timber companies to set up operations in the sparsely settled panhandle in the 1950s with long contracts at ridiculously low prices. In 1980, Congress passed the Alaska National Interest Lands Conservation Act, which embraced an extraordinary deal for the two companies. It guarantees an expenditure of at least $40 million a year by American taxpayers to cover road-building, surveying and other overhead for the companies, one American and one Japanese. The companies clear-cut the ancient forest for pulp, for which there is little demand — the timber market has been in constant glut throughout this decade. By selling far below the cost of production, the Forest Service lost 98 cents on the dollar on the timber it sold between 1982 and 1986.

The Forest Service says the program creates jobs, but despite a subsidy of $36,000 for each job timber employment has been declining. Meantime, fishing and tourism are being harmed by the destruction of the wilderness.

Some in Congress want to reverse this thriftless and wanton program. The Tongass Timber Reform Act would abolish the target of harvesting 450 million board feet a year from the forest, submit the subsidy to Congress' annual review and subject the Tongass to the same management as other national forests get.

And we want to give credit here: United States Representative Tommy Robinson is the only Arkansan to sign the bill. Soon, maybe, he will take the same interest in protecting the national forests in Arkansas, where the Army wants to train. But we should take good works as we find them. He deserves a gold star on the Tongass bill, and emulation by his colleagues.



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Rain forest assault absurdly subsidized

Americans who think rain forests exist only in some far-off tropical land might be surprised to learn that the last remaining temperate rain forest in the world is theirs. It is the Tongass National Forest in the panhandle of southeast Alaska—a beautiful and pristine area of gigantic and very old trees, clear salmon-filled streams and lakes framed by snow-covered mountains. It also has the world's largest population of bald eagles and grizzly bears.

And like the tropical rain forests, it is being destroyed by people who are out to make a buck off a vast natural resource that is not being protected. What is particularly awful is that American taxpayers are paying for its destruction.

Management practices of the U.S. Forest Service, long-term contracts, and a very bad law have permitted two logging companies to cut 4.5 billion board feet every 10 years when there isn't even a market for the lumber, and to get paid for it. After a hundred years, the area cut will be the size of Yellowstone National Park.

Under a 1980 law, the forest service has to spend $40 million a year to subsidize operations of the timber industry, such as by building roads. This mandated appropriation and the cutting target cannot be changed except by a change in the law.

Because of a glut in the market, the Forest Service has been forced to sell the timber for bargain-basement prices—at a loss of more than $50 million a year. It is estimated it will lose up to $6 billion over the next 50 years.

The taxpayers shouldn't be paying this kind of subsidy in order to bolster one industry, particularly when the fishing and tourism industries in the Tongass are suffering because of the massive logcutting. Taxpayers are paying $36,000 a year for each logging job, while the bigger fishing industry is threatened with losing salmon-producing areas, and the numbers of deer are diminishing.

Congress is considering legislation to eliminate the subsidy and the timber goal and to require that the Tongass be managed with environmental concerns. In the interest of cutting budget fat, it should pass. Even if there were no subsidy, the present law and the long-term contracts with the loggers to permit destruction of a wild and beautiful public land are absurd.

WASHINGTON

Outdoors

Walla Walla Union-Bulletin Wednesday, October 14, 1987

Time's come to consider the Tongass

Imagine buttoning a rayon shirt, or wrapping a peanut butter sandwich in cellophane, made from a recently felled Sitka spruce that lived when Britian's King John signed the Magna Carta at Runnymede in 1215.

Such a fate for 800-year-old spruce and cedar trees from the Tongass National Forest of Southeast Alaska seems sad enough, but other environmental and economic facts about the Tongass logging operation are worse.

Jay Nelson of the Southeast Alaska Conservation Council recently presented a slide show about the Tongass timber program in Walla Walla. As a result, I dug out a May 1986 New Republic article along with other articles and editorials.

While every issue obviously has at least two sides, this one appears heavily weighted for those who would change the Tongass timber program. And a bill presently exists in Congress (H.R. 1516 and S. 708) to do just that.

The Tongass National Forest, at 16.8 million acres, is the largest of the country's 156 national forests. About the size of Indiana, in fact, the Tongass could be chopped into three national forests and each would still be larger than any other.

Much of this natural wonderland, however, consists of more than 1,000 islands — named and unnamed, inhabited and uninhabited — barren rock, bog-like muskeg, glaciers and snow fields that no one except tourists with cameras care about.

The 5.4 million acres of rain forests, however, are another story. They contain prime areas of old-growth timber and wildlife habitat for Sitka black deer, grizzly and black bears and bald eagles. They also border many of the country's last natural prime salmon spawning streams that are essential to a commercial fishing industry that employs more Alaskans than any other industry, and without any government subsidy.

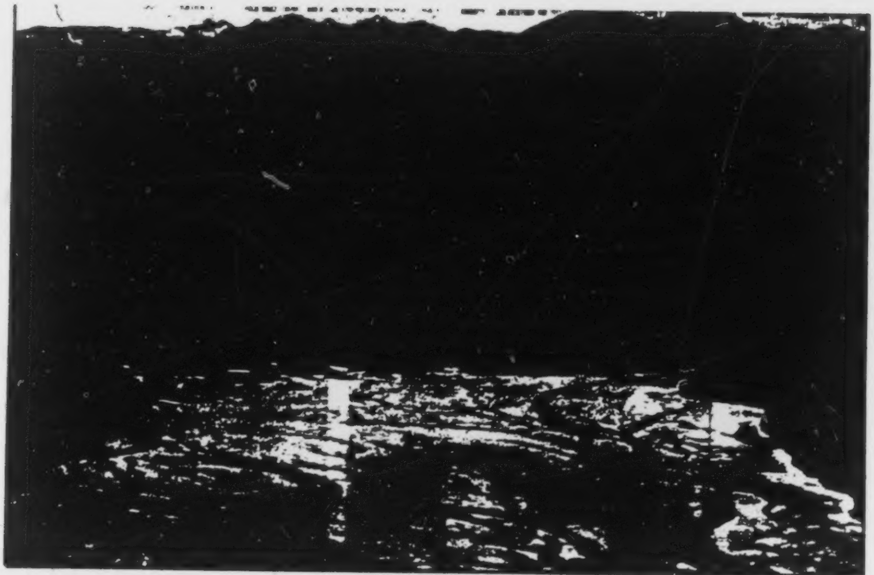
Now, given a forest with all those trees, logging is inevitable. And not even the Southeast Alaska Conservation Council, which stands in the forefront of those organizations seeking to change the way Tongass trees have been cut since the 1950s, opposes logging per se.

The SEACC, for example, distinguishes between "forest mining" and renewable forest management. It opposes the government-financed old-growth timber "forest mining" that has been going on for years and claims the U.S. Forest Service has no intent to re-establish old growth in the areas cut.

Forest Service plans will result in the clearcutting of 1.7 million acres — an area the size of Yellowstone National Park. Over the next 10 years, the FS plans to build at least 2,000 miles of new roads into potential cutting areas.

Those plans exist in the face of nearly overwhelming evidence that Tongass logging simply doesn't make a profit. The New Republic magazine charged "the federal government is running a business that loses 98 cents on every taxpayer dollar it spends" cutting Tongass timber. It said the taxpayer losses are more than $50 million per year.

As I understand it, the history of Tongass logging goes like this: Around the turn of the century, the federal government saw establishing a timber industry in Southeast Alaska as a way to lure settlers into the area. Very little development occurred, though, until in the early '50s when the



Photos by Glenn Ketchum

The tide flats and prime old-growth forests of the Kadashan River drainage in the Tongass National Forest have the world's highest concentration of brown bear dens, and the river is one of the top salmon producers of Southeast Alaska.

Don Davis

Outdoors columnist

Forest Service convinced two pulp companies to build there.

As a main inducement, the Forest Service signed 50-year contracts with Louisiana Pacific-Ketchikan and the Japanese-owned Alaska Pulp Company. The Forest Service apparently also promised the companies bargain prices on timber so they could compete effectively against mills in Washington state.

Primarily, the market for the Tongass timber was Japan. Sixty percent of it eventually turned into rayon and cellophane. The rest went overseas for building houses and such items as pianos.

Even in the beginning, the government apparently lost money on this project. A mile of road to reach the trees, for example, cost $150,000. As a result, to make the venture profitable for the companies, the government provided a subsidy.

When, in 1980, the Alaska National Interest Lands Conservation Act preserved 5.4 million acres of mostly ice and rock as wilderness, timber interests changed the ANILCA to include a major boon for the two pulp mills. Section 705 of that act set a goal of 4.5 billion board feet from the Tongass per decade. More importantly, Section 705 provided a minimum $40 million annual appropriation, or "as much as the Secretary of Agriculture finds is necessary," to cover the costs of reaching that goal.

Meanwhile synthetic means for making rayon shirts and sandwich wrappers less expensively than from pulp were developed. And other countries, such as South Africa, began to underbid Alaska on timber sales.

As a result, timber jobs in Alaska declined by 40 percent to about 1,800. In 1984, for example, the demand was just over half the 450 million board feet per year established by Section 705 of the ANILCA.

During that time, the Forest Service continued to spend the money provided in Section 705. It spent $11 million on roads and other preparations for timber sales for which no company would bid.

Environmentalists claim, in fact, that each job still maintained in the Tongass program takes $36,000 from U.S. taxpayers. Even half that amount digs a deep depression in taxpayer pockets.

This subsidy — which averages well over $50 million per year since 1980 and is unique among all the Forest Service's timbering projects — creates unfair competition with logging interests in Washington and Oregon, too. Louisiana Pacific-Ketchikan, for example, pays about $3 per 1,000 board feet for logs. That much timber from the Siuslaw National Forest in Oregon costs about $150.

One critic said Section 705, or the Tongass timber supply fund, is a "blank check drawn on the account of the U.S. taxpayer." And he may be right, especially since both the commercial fishing and tourism industries are endangered by logging practices that leave no buffer zones along salmon spawning streams and strip the countryside of wildlife habitat.

A clearcut on Kuiu Island in Alaska's Tongass National Forest.

Besides, as a one editorial writer asked a few months ago, "... what logic is there in asking the taxpayer to cover the wages of workers hired to chop down 500-year-old trees that hardly anyone wants to buy."

Even if we in Walla Walla don't care much about wildlife habitat in Alaska, or if we don't want to stick our noses into the way another state's economy works, we may still care about how our taxes are spent. One way to influence that would be to write Dan Evans and Brock Adams and ask them to co-sponsor S. 708. That could be instrumental in saving taxpayers $50 million every year.

And we may also support an ammendment to cancel the long-term contracts, which were signed before Alaska became a state, and replace them with competitive bids on short-term sales.

It isn't like the companies have lived up to their responsibilities under these contracts.

Federal courts have apparently found both the contract companies, Alaska Pulp Corporation and Louisiana Pacific-Ketchikan, guilty of antitrust violations against independent companies.

And, according to Forest Service testimony, the companies may have bilked the government of up to $81 million by a practice of double bookkeeping. The government is trying to recover $10 million of that money.

Finally, when an executive of Alaska Pulp Corporation says 1979 was the company's last profitable year, even though the contracts are supposed to guarantee the company profits of 14 percent, it's clear that something's amiss.

National Audubon Society

NATIONAL CAPITAL OFFICE 801 PENNSYLVANIA AVENUE, S.E. WASHINGTON, D.C. 20003 (202) 547-9009

STATEMENT OF BROCK EVANS

VICE PRESIDENT FOR NATIONAL ISSUES

NATIONAL AUDUBON SOCIETY

BEFORE THE PUBLIC LANDS, NATIONAL PARKS, AND FORESTS SUBCOMMITTEE

OF THE SENATE ENERGY AND NATURAL RESOURCES COMMITTEE

REGARDING S.708, THE "TONGASS TIMBER REFORM ACT"

NOVEMBER 5, 1987

100% Recycled Paper

Thank you very much for the opportunity to appear here today on behalf of the National Audubon Society. As you know, the Society is one of the nation's largest environmental organizations. It is on behalf of our 550,000 members, organized into over 500 chapters across the nation -- including three chapters in the state of Alaska -- that I appear before you today.

The National Audubon Society has participated vigorously in the many efforts of the American people to protect the superb wilderness, scenic, and wildlife treasures of Alaska. Our individual members and leaders were active in the creation of some of the early Alaska National Parks and Wildlife Refuges, and we were a major part of the Alaska Coalition, which sparked the drive to secure passage of Alaska National Interest Lands Conservation Act of 1980. We maintain a full time office in the state, and thousands of our members have come to know firsthand the glory, beauty, and richness of the Alaskan wilderness.

It is against that background of long involvement and deep concern for the future of these resources that we give strong support to S.708 today. Essentially, the Tongass Timber Reform Act would repeal Section 705(a) of the Alaska National Interest Lands Conservation Act -- a clause inserted by the Senate into the bill at the very last stages of negotiation, on a "take it or leave it" basis, after no hearings and no chance for public input. Contrary to what may have been said, Mr. Chairman, this was a "deal" that we opposed at the time, and have continued to oppose. That is why we favor repeal of Section 705(a).

As other witnesses have pointed out to you, Section 705(a) essentially commits nearly all of the remaining unprotected old growth virgin forest of the Tongass National Forest in Southeast Alaska to the primary single use of logging -- regardless of the wildlife and fisheries values, regardless of the recreation and tourism potential, regardless of the needs and wishes of local residents, regardless of the long term future of Southeast Alaska, and regardless of the cost to the U.S. Treasury -- the superb virgin rain forests of the Alaska panhandle are to be logged, because of this provision.

Why is this so? It is because Section 705(a) directs the U.S. Forest Service to make available 4.5 billion board feet from the Tongass National Forest per decade, and establishes a permanent appropriation, entirely outside of the normal budgeting and appropriations process of the Congress, to accomplish this goal.

After six years of operation, we have now had an opportunity to see the effects of this legislation: hundreds of miles of new logging roads have been pushed through the forests and across the land, even into the remotest, most scenic, and wildlife rich bays and coves; tens of thousands of acres of virgin old growth forest have been decimated due to the incredible subsidy granted by Section 705(a); crucial habitat for the Sitka black-tailed deer, the grizzly bear, and the murrelet -- all of which, in whole or in part, depend on the maintenance of a viable forest ecosystem for survival -- has been destroyed for our lifetimes, and beyond. Indeed, the resulting destruction of areas once highly valued for other uses has been so great that there is a rising chorus of protest among residents of Southeast Alaska itself -- the very region alleged to benefit by this provision. To date, the key provisions of

Section 705(a) are opposed by 16 Southeast Alaska communities, the region's major commercial fishing organizations, and all environmental organizations. The Alaska Department of Fish and Game (ADFG), the foremost guardian of fish and wildlife in the Tongass National Forest, has actively protested numerous timber sales and road building activities in key drainages, which were spawned by the implementation of Section 705(a).

In May 1986 at oversight hearings on this same subject, we pointed out that clearcutting replaces diverse, uneven-aged stands having high habitat value, with clearcuts and even-aged second-growth stands of low diversity and low value for many wildlife species. Based on present knowledge, it is not possible to significantly enhance second-growth forests for wildlife. Two hundred to 300 years are needed for second-growth forests to naturally acquire the characteristics of old-growth forests, which are essentially a nonrenewable resource.

In Southeast Alaska, old-growth forests provide critical winter habitat for Sitka black-tailed deer. Under current logging plans, about half of this habitat will be lost forever by the end of the first 100-year rotation or cutting cycle. As a result, deer populations will be severely reduced.

Another wildlife species of national concern is the grizzly bear. While millions of taxpayer dollars are being spent to save the few hundred grizzlies that remain in the American West, millions are being spent to destroy grizzly forest habitat in Southeast Alaska. Road building divides up grizzly bear habitat and bisects seasonal migration corridors. Studies in other parts of the country show that grizzly bears have learned to avoid roads since that is where they are commonly shot. They are also shot at near logging camps. Scientists estimate that bears killed in defense of life and property around logging camps in Southeast Alaska could make up as much as 10 percent of the reported kill. John Craighead, in his nationally renowned studies of grizzly bears in the West, suggested that human-induced mortality associated with logging was one of the major causes of grizzly population declines.

Extensive clearcut logging eliminates important old-growth grizzly habitat. Recent studies by ADFG show that the bears utilize old-growth forest stands for escape cover, feeding, and denning. Some veteran hunting and recreation guides in Southeast Alaska report that their hunting and bear-viewing opportunities have already been drastically diminished by the destructive logging practices. The carrying capacity for bear guides and their clients may well have already been reduced by half on the Tongass.

Compounding the outright environmental damage and destruction of the local way of life for many Southeast Alaskans is the fact that this is an enormously expensive and wasteful program for the national government. Currently, the so-called "Tongass Timber Supply Fund," shielded from the annual congressional appropriations process, consumes $50 million a year of taxpayers' money for the purposes of building the logging roads, and hiring the great bureaucracy to administer the program. From 1982 to 1986 the Forest Service spent $287 million to make Tongass forest timber available for sale to the two large corporations which monopolize that Forest's output. Including timber fees and all other receipts to the Treasury, the return in those same years has only been $32 million. Even the Forest Service has estimated that its Tongass timber program will lose from $2 to $6 billion over the next five decades.

To put it succinctly, we believe that the case is overwhelming in favor of repeal of Section 705(a). Its major purpose was to protect the timber economy in Southeast Alaska, especially the jobs of the individuals who depended on it. But this has not worked, in spite of the enormous subsidy: because of long term structural changes in the world market and patterns of supply and demand -- changes which are not expected to reverse themselves -- employment has dropped 40 percent since implementation of Section 705(a), from 3,500 in 1980, to about 1,800 today. It has been an immense drain on the U.S. Treasury -- the huge expenditures and minuscule returns (less than one cent on the dollar), have cost the U.S. taxpayer about $36,000 per job so far.

And Section 705(a) has certainly ruined many parts of the Tongass forest, one of the most beautiful and spectacular environments anywhere on earth. Uninhabited islands and drainages have been opened up; rivers have been silted; crucial habitat for important animal and bird species has been eliminated; wilderness has been destroyed.

The National Audubon Society believes it would be far cheaper, from the standpoint of the national interest as well as that of the Southeast Alaska residents, to simply pay those persons whose jobs still depend on this subsidy the same sums we are now paying to destroy much of the beauty, wilderness, and wildlife of the Tongass National Forest. This is why we strongly favor repeal of Section 705(a), in its entirety.

But there is something else. Southeast Alaska is probably the least known part of that magnificent state, and yet, in the opinion of many -- certainly myself -- it is probably the most beautiful. About the size of the state of Indiana, its spectacular combination of high peaks and glaciers literally rising out of the sea, its abundance of sparkling fish-filled rivers, its awesome populations of eagles and bears, its superb remaining carpet of dark green forests -- all amount to one of the great scenic, wilderness, and wildlife treasures of this entire planet. It is clear that the economic future of Southeast Alaska lies not in heavily subsidized timber operations which continue to lose money and jobs. The future rather is in tourism and the fishing industry, and a timber industry geared to a local, not a world, economy.

The National Audubon Society believes that it is time to face up to the mistakes made, with all good intentions, by the Forest Service in the past. This mistake began in the 1950s, when the Agency determined that it would be in the local, as well the national interest, to offer Tongass timber to certain companies on 50-year contract terms, in return for their locating industrial establishments there. As a result of this policy -- adopted without any consultation of environmentalists, by the way -- the Forest Service did enter into two such contracts covering essentially the northern and the sourthern parts of the Tongass National Forest. These contracts, now held by Alaska Pulp Company and Louisiana Pacific Ketchikan Pulp Company respectively, have basically achieved the aim of creating local mills, and indirectly have resulted in the elimination of almost all small independent logging companies from the area. But as has been pointed out above, it has not stabilized employment; and it has not stabilized the economy, despite the enormous subsidies paid by all American taxpayers. What it has resulted in is air and water pollution at the actual mill sites, and the enormous environmental destruction in the forest itself.

We believe it is time to face up to the facts and admit that the Forest Service has made a great mistake by solicting and entering into these contracts some three decades ago.

But this mistake can be undone. And now, as we are exploring the whole question of future directions for the Tongass National Forest, it is time to begin to walk down a new path for Southeast Alaska, one which will not require such waste of money and environmental damage.

Specifically, we make two proposals and suggestions for amendments to S.708:

First, we recommend that the Forest Service be directed to enter into immediate negotiations with the two large monopolistic contract holders to terminate their 50 year contracts. Our preliminary information is that if the government were to make an offer to buy back the timber still obligated under the terms of the present contracts at the rate of which the companies are now paying for it (about $2 per thousand board feet on the average) the total cost to taxpayers would be less than $16 million. This contrasts with the approximately $50 million of annual subsidy we are now paying to keep the Tongass timber program going, and at the cost of our environment. The contracts should be terminated, and this is one happy instance where an enormous amount of money would actually be saved by such an action.

Secondly, we propose that several crucial areas of great importance to the grizzly, to the superb anadromous fishery of the region, and to the tourist industry be added to the national wilderness preservation system, as we initially proposed in the original H.R. 39, Alaska Lands Act legislation. These areas include the Yakutat Forelands, the Lisianski River drainage of West Chichagof Island, and other important areas as identified by the Southeast Alaska Conservation Council. We would be happy to furnish maps of these areas and offer more information about their important values which must be protected, if desired.

In the end, repeal of Section 705(a), coupled with a termination and public buyout of the remaining 50 year contracts, and protection of additional areas, would go a long way toward restoring the economic, social, and environmental equilibrium in Southeast Alaska. This is one of the last strongholds of the grizzly bear. It is the last stronghold of our national emblem, the bald eagle. It is our last opportunity to provide permanent protection to the finest old growth coastal rain forest in the country. The Tongass National Forest contains our most superlative wilderness, some of our grandest scenic spectacles, and offers a wonderful way of life and hopes of a prosperous future to those who take advantage of its abundant renewable, truly renewable, natural resources.

The present system is running up economic and environmental deficits for the United States. And at a time when Japan already has tremendous trade advantages, essentially, we are doing the Japanese owned Alaska Pulp Company a favor to our own detriment. S.708 goes a long way toward eliminating these deficits and managing our first and largest national forest consistent with the long term interests of the American people.

467F

NATIONAL TAXPAYERS UNION

A NONPARTISAN, NONPROFIT ORGANIZATION DEDICATED TO THE PUBLIC INTEREST

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STATEMENT OF

JILL LANCELOT
DIRECTOR OF CONGRESSIONAL AFFAIRS
NATIONAL TAXPAYERS UNION

ON

S. 708 "TONGASS TIMBER REFORM ACT"

BEFORE THE

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS, AND FORESTS

OF THE

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES
U.S. SENATE

NOVEMBER 3, 1987

Mr. Chairman and members of the Subcommittee:

I am Jill Lancelot, Director of Congressional Affairs for the National Taxpayers Union. The 150,000-member National Taxpayers Union is a non-profit, public interest organization that works to eliminate wasteful spending and balance the federal budget.

Though national forests are required by law to be managed by the U.S. Forest Service for multiple use, the production of timber receives the most attention and the most money. Unfortunately, faulty management of public forest lands is widespread. Nowhere is such mismanagement so evident as on Alaska's Tongass National Forest, where millions of taxpayer dollars are wasted each year subsidizing a timber sales program that is fiscally and environmentally irresponsible. The American taxpayer should not have to pay for this seriously flawed Forest Service program.

Not only is this unsound policy at the expense of the Nation's taxpayers, but the wasteful bias toward timbering harms southeast Alaska's unsubsidized commercial fishing and tourism industries. At the same time, this timber sales program has not accomplished its stated goal of preserving timber industry jobs.

The National Taxpayers Union endorses S. 708, the Tongass Timber Reform Act. This legislation will begin to restore fiscal accountability and responsible management to the Tongass National Forest. The bill would repeal Section

705(A) of the Alaska National Interest Lands Conservation Act (ANILCA).

In 1980, Section 705(A) established the Tongass Timber Supply Fund, a guaranteed federal subsidy of "$40 million or as much as the Secretary of Agriculture deems necessary", to support the timber program on the Tongass National Forest. This unchecked federal money is exempt from the usual appropriations process and is immune from any administrative recissions.

In short, the Tongass Timber Supply Fund is a classic example of pure pork barrelling for the benefit of an oversized Forest Service bureaucracy and two timber corporations, one of which is wholly Japanese-owned. And the American taxpayer foots the bill.

Between 1982 and 1986 the U.S. Forest Service spent $287 million on the Tongass timber program. Receipts to the Treasury from the program, on the other hand, totalled only $32 million. This averages to a loss to taxpayers of over $50 million each year. Stated differently, in 1983 the taxpayer lost 91 cents for every dollar spent on the Tongass. In 1984, the loss was 93 cents, and in 1985 and 1986, 99 cents. Taking Tongass timber employment into account, American taxpayers spent over $36,000 a year to subsidize each job.

The Forest Service argues that these timber expenses are justifiable because of the need to maintain timber industry jobs. Yet, the Forest Service admitted during oversight hearings before the Subcommittee on Public Lands of the House Interior Committee (May 8 and 9, 1986) that, "Given the reduced demand for Alaska saw products in export markets since 1981, no amount of ANILCA investments could have maintained the timber industry employment at historic levels." (p. 475)

Despite huge subsidies, it is clear that the timber industry in southeast Alaska is not competitive and will probably get less competitive. According to the 1985 Forest Service Supply and Demand Report to Congress: "Pulpwood prices are less than the cost of harvesting and transporting all available pulp logs from southeast Alaska to the mills. This price situation is not expected to improve in the near future." (p. 2) Subsidies have proven to be a long-term fiscal disaster rather than a short-term solution.

The Forest Service constantly offers timber for sale below the cost of production. The preparation of sales that did not sell resulted in annual losses in the Tongass of $8 million annually between 1980 and 1984. Furthermore, it is this ludicrous practice of selling timber at below production costs (it costs the government more to prepare the timber for harvest than the government recovers in receipts) that helps feed this nation's budget deficit. For $2 per thousand board feet, the Forest Service ~~to~~ sells timber that costs at least $150 per thousand board feet to manage. Yet the Forest Service continues to lose money by building roads to sales that won't sell and offering amounts of timber which far exceed the market demand.

Mr. Chairman, we are not unsympathetic to the plight of the logging industry in southeast Alaska. But we should remember that fewer than 50% of the trees being cut in southeast Alaska are currently coming off national forest lands. Private, Native Alaska corporations are logging their own lands and selling high quality timber at a profit. Yet at the same time, these local corporations are being hurt because the two multinational logging concerns have a sweetheart deal with the U.S. Government -- the multinationals buy federally subsidized pulp logs, excluding private suppliers. These local corporations' pulp grade logs rot on the ground because they cannot realistically compete with subsidized government timber. This is an outrage. It's bad enough that the taxpayers are subsidizing multinational corporations. That these companies harm local competitors at the same time makes the situation all the more deplorable.

S. 708 may not do enough to stop this type of waste. We also hope that this committee will address the fundamental problem of the long-term 50-year contracts, as Representative Robert Mrazek has attempted over in the House with recently introduced legislation, H.R. 3556. Back in the early 1900's the federal government decided that encouraging a timber industry on the Tongass forest was a way of developing southeast Alaska. Early promotional efforts were not successful. However, during the 1950's the Forest Service induced two large pulp companies to settle in the Tongass by offering generous 50-year contracts with cheap timber prices.

The following two examples well illustrate the major role these contracts have played in the present problem:

First, in 1981, the Japanese-owned Alaska Pulp Company (APC) sought and received an "emergency rate redetermination" from the Forest Service under the favorable terms of their contracts. The price they pay the Forest Service for timber was reduced from $216 per thousand board feet to $2.26 per thousand board feet, a 99% reduction!

Second, in January of this year, APC sued the United States Forest Service for over $80 million claiming breach of contract. Despite the 1981 "emergency" timber price reduction, APC claims they actually lost money between 1982 and 1986. In fact, they claim that the timber sold to them was actually "worth" a negative $97.29 per thousand board feet. In essence, under the terms of their amazing contract, APC is able to ask the Forest Service to pay them again for timber they cut at basement prices.

Clearly, any contract so loosely written as to allow the contractee to determine its own timber prices and to be interpreted to guarantee a profit should be rewritten or cancelled.

Contract cancellation would not in any way prevent the pulp mills from purchasing ample volumes of timber. It would merely require that they do what is now done on every other national forest in America: compete for short-term timber sales. Competition is something that the Japanese have been eminently successful at in other enterprises. In this case, they are outcompeting the U.S. of its own money and timber, thanks to U.S. legislation.

It defies economic logic for the United States government to subsidize a foreign competitor that is damaging our natural resources and at the same time undermining our local markets.

We cannot continue to subsidize uneconomic enterprises such as the Tongass timber program. Unlike the U.S. Forest Service, a private company losing 99 cents on every dollar would have gone bankrupt long ago. It is time to repeal Sec. 705, stemming an incredible waste of taxpayer money, the destruction of an unparalleled natural area, and the always rising tides of federal red ink.

The NTU thanks the subcommittee on Public Lands for holding this hearing on such important legislation. Thank you for the opportunity to submit these comments for the record.

Working for the Nature of Tomorrow®

NATIONAL WILDLIFE FEDERATION

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STATEMENT FOR THE RECORD
SUBMITTED BY
MARTHA A. TABLEMAN
ON BEHALF OF
THE NATIONAL WILDLIFE FEDERATION
FOR
HEARINGS HELD BY THE
SENATE ENERGY AND NATURAL RESOURCES SUBCOMMITTEE
ON
PUBLIC LANDS, NATIONAL PARKS AND FORESTS
REGARDING S.708,
THE "TONGASS TIMBER REFORM ACT"

November 3 and 5, 1987

The National Wildlife Federation appreciates the opportunity to submit this statement for the November 3 and 5, 1987, hearing record on S.708, the "Tongass Timber Reform Act". The National Wildlife Federation is the nation's largest conservation-education organization, with more than 4.8 million members and supporters in 51 states and territories. NWF is proud of its active role in the development and passage of the Alaska National Interest Lands Conservation Act (ANILCA) in 1980; however, the time has come to correct past mistakes which are leading to the unwarranted destruction of wildlife habitat in the Tongass National Forest.

The "Tongass Timber Reform Act" will terminate the environmentally destructive timber harvest levels required by ANILCA on the Tongass National Forest, and assure the Tongass is managed and funded in accordance with the National Forest Management Act of 1976 (NFMA), as are other national forests. We believe the bill will help end the destruction of fish and wildlife populations and habitats in southeast Alaska and help ensure the wise management of the Tongass's natural resources.

The Tongass National Forest, America's largest national forest, is of great ecological and economic importance. Nearly 11 million of the Forest's 16.8 million acres are not forested, but the portion that is forested contains one of the world's last old-growth temperate rain forests. Over 200 inches of rain falls yearly, creating one of the most distinctive ecosystems in the world. The continuing destruction of the remnant old-growth forests of Washington and Oregon makes protection of the Tongass more urgent.

The old-growth rain forest is characterized by stands of Sitka spruce, hemlock, and cedar 250 years old and older, and a productive understory which supports numerous species of wildlife. The water runoff from the forest feeds the streams, rivers, and estuaries which support millions of fish. This ecosystem is delicately balanced and, if it is destroyed, can never be replaced.

High volume, old-growth stands with over 30,000 board feet of timber per acre exist on only about four percent (650,000 acres) of the Tongass, yet it i~~s these~~ important wildlife habitats which are being cut in an ecologically and economically unsound manner. The 4.5 billion board feet per decade harvest mandated by ANILCA forces timber harvests areas from areas where such harvests are not warranted. The time has come to reduce the harvest volume.

I would like to focus now on the adverse impacts of timber harvesting on some of the important species of the Tongass.

Sitka Black-tailed Deer

Sitka black-tailed deer are the most popular game animal in southeast Alaska, and are an important food source for recreational and subsistence hunters. Deer populations are decreasing because of the logging of high volume (30,000 mbf/acre and over) old-growth stands vital to the winter survival of the deer (ADFG, 1985). The canopy of the old-growth forest catches the heavy winter snowfall, creating open vegetation patches on the forest floor which provide forage for the deer. The open canopy of a second-growth forest simply cannot provide cover adequate to allow this forage to exist.

Also, younger trees as well as numerous other species of plants grow in the understory of the old-growth and provide forage for the deer throughout the year. Although forage is abundant immediately after clearcutting, the second-growth forest quickly out-competes other vegetation and leaves little in the understory or on the ground on which the deer can forage.

The clearcutting of old-growth forests, which the timber harvest levels of ANILCA requires, results in the permanent loss of deer habitat. Under the current logging plan, the Alaska Department of Fish and Game estimates there will be a 50 percent decline in deer populations in three-quarters of the watersheds on the Tongass with the losses in some watersheds as high as 92 percent (SEACC, 1986).

The timber harvest level on the Tongass must be reduced for the protection of the Sitka black-tailed deer in order to continue to reap the benefits of this important species.

Brown Bears

The Tongass contains the greatest concentration of brown bears (also called grizzlies) anywhere in the nation (The Wilderness Society, 1986). Some of those concentrations occur in areas subject to clearcut logging. These massive creatures once roamed the western U.S. in large numbers, but now have been reduced to remnant populations in the lower 48 states. In part, disturbances from logging have been to blame for the bear's decline in the lower 48. We must not repeat that mistake in Alaska.

Old-growth forests are important for brown bears. Old-growth provides denning sites as well as food for these omnivores. Bears use clearcut sites less than old-growth areas. Clearcuts and roads restrict the bears' natural movement because they require cover for protection from other bears and from man. Road access increases hunter success and opens new populations to hunting pressure. Both legal and illegal hunting of bears increases. Non-hunting man/bear conflicts increase and the usual result is the destruction of the bear.

Logging also degrades the quality of streams on which the bears depend for food (ADFG, 1985). Salmon on their spawning runs are an important food source for brown bears. The integrity of salmon streams and old-growth forests must be protected for the brown bears to flourish.

Bald Eagle

Southeast Alaska has the highest density and the largest population of breeding bald eagles in North America. Over 10,000 of these spectacular birds live on the Tongass. Bald eagles live primarily in old-growth stands near the water where they have adequate nesting habitat and food. The nest trees are usually old-growth Sitka spruce, and although nest trees and a surrounding buffer are protected from disturbance by state and federal regulations, over half of the 126 variances requested between 1969 and 1983 on the Tongass were granted (ADFG, 1985).

Salmon are also an important component of the bald eagle's diet, and without adequate food reasonably close to its nest both the eagle's survival and reproductive ability are endangered. Under the current management plan, natural populations of eagles will be jeopardized by stream sedimentation caused by logging and by elimination or alteration of 90 percent of the eagle's nesting and perching habitat (The Wilderness Society, 1986). The harvest level must be reduced to protect the bald eagle.

Salmon

Salmon

Five species of salmon--king, sockeye, coho, pink, and chum--live in the waters in and around the Tongass and are the primary fish of Alaska's commercial fishing industry. These fish, along with steelhead, cutthroat, and dolly varden char are also important for subsistence and sport fishing. Timber harvest results in the degradation of fish habitat and erodes the $60 million per year commercial fishing industry of Alaska.

Timber harvesting raises the temperature of the water in streams in the area being cut, a change which can be lethal to juvenile and adult salmon. Adverse changes in stream flow also occur. Deficiencies in dissolved oxygen due to more organic matter in the water during timber harvesting also can be lethal to the fish. Stream sedimentation from logging and road construction reduces food supplies and disturbs spawning areas.

The several species of fish and wildlife I have described here represent only a small number of the hundreds of species which live on the Tongass, and timber harvesting has different impacts on each one. These impacts need to be considered when determining harvest levels to guarantee biological and ecological integrity.

S.708 is important to the economy of southeast Alaska. The commercial fishing industry supports more jobs than any other private employer in the area. Subsistence fishing also feeds and supports much of the native and rural population of southeast Alaska. The fisheries resource must be protected from the adverse impacts of logging.

Southeast Alaska also is benefitting from a growth in tourism. Tourism is the area's fastest growing industry and the only primary industry to show major growth during the 1980's. The number of cruise ships plying southeast Alaska waters increased 47 percent between 1975 and 1983. The Forest Service estimates recreational use of the Tongass grew by 85 percent between 1980 and 1985. Tourism will suffer in the long run if the Tongass Forest continues to be managed in ways inconsistent with wildlife protection, preservation of water quality and sensitivity to the esthetics of the area.

The Tongass National Forest is a far-too-important and unique natural resource to be squandered.

S.708 is a first step toward restoring sensibility to the management of the Tongass National Forest. The National Wildlife Federation urges the Subcommittee to recommend that Congress pass S.708, the "Tongass Timber Reform Act."

Thank you again for the opportunity to submit this statement.

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THE PROFESSIONAL VIEW

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STATEMENT FOR THE RECORD
BY THE
SOCIETY OF AMERICAN FORESTERS
FOR THE
SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS
COMMITTEE ON ENERGY AND NATURAL RESOURCES
U.S. SENATE
REGARDING PROPOSALS TO MODIFY THE ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

NOVEMBER 12, 1987

The Society of American Foresters is aware of a number of proposed amendments to the Alaska National Interest Lands Conservation Act (ANILCA) of 1980. We are concerned about proposals to modify the provisions of Title VII of the act which concerns the Tongass National Forest. The issues that legislation seeks to address are complex, encompassing biological, social and economic impacts of anticipated management actions.

As a Society of nearly 20,000 individuals representing all segments of the forestry profession, we do not advocate one use over another. However, we strongly believe that the profession is qualified through the education and experience of its members to identify the costs and benefits of various land-management alternatives. For these reasons the Society recommends that Congress take no further action on Tongass legislation until completion of the revised Tongass Land-Management Plan.

In addition, the Society recommends the Forest Service develop specific land-management planning alternatives independent of existing ANILCA criteria. This would allow the land-use planning process to work more efficiently by enabling the Forest Service to look beyond the current program and land-use mandates set by Congress. The Society's primary concerns are: (1) proposed legislation would weaken the land-management planning process; (2) wilderness designation, like other land-use designations, should be undertaken only after a detailed analysis of the benefits and costs of such a designation; (3) the economic efficiency issue should be addressed in a broad context, taking into account both market and nonmarket resources and their production over time. The following comments highlight our specific concerns and are based on current Society positions.

Land-Management Planning

In response to forestland management and program controversies in the 1970s, Congress enacted the 1974 Forest and Rangeland Renewable Resources Planning Act and the 1976 National Forest Management Act (NFMA). The planning process which the legislation authorizes is one of the most technically sophisticated and complex in the country. Though not perfect, the Society believes it is responsive to public input and serves as an effective means to manage conflict.

The Tongass is the first national forest to have completed a plan, and, therefore, the first to be revised. In this regard, the Society is concerned that the legislation currently before Congress would interrupt the planning process. By assuming this responsibility, Congress would be weakening the very purpose of planning, setting an undesirable precedent that could be followed on the remaining 155 national forests. The Society is deeply concerned about the implications of forestland planning from the House and Senate floor and the impacts on professional management of the entire National Forest System.

Wilderness Designation

A second concern of the Society is legislation that would designate forestlands as wilderness without appropriate study of alternative land-uses. Again, the Society does not advocate one land use over another. However, we believe Congress should designate forestland uses only after the economic, ecological and sociological benefits and costs of allocating land have been developed and analyzed by natural-resource professionals. This analysis should include: (1) a socio-economic assessment that would address the potential impact of commodity production on local community development, (2) the potential impact of wilderness designation for creating economic diversity, and (3) a comparison among local, regional, and national needs. This assessment is as important for intensive timber management as it is for wilderness designation. Again, the Society believes the land-management planning process is the most appropriate place to identify these options.

Economic Efficiency in Public Land Management

Economic efficiency in public land managment has been suggested as a reason for repealing the Tongass Timber Supply Fund. Proponents argue that the Fund creates below-cost timber sales with a negative return on investment. Relative to this argument, there are a number of other points that need to be considered. They include:

(1) The national forests were not established to make a profit. For example, one of the purposes for their establishment was "to improve and protect the forest...." Further, the national forests are legally required to be managed under the multiple-use principle, the definition of which includes "harmonious and coordinated management of the various resources, each with the other without impairment of the productivity of the land, with consideration being given to the relative values of the various resources, and not necessarily the combination of uses that will give the greatest dollar return."

(2) Accountability should be in terms of net public benefits, including both market and nonmarket resources, as set out in the land-management plan. This will assure that land-management decisions will take into account the costs and benefits of all program areas as well as those reflected in a cash-flow analysis.

(3) Costs and benefits of program activities on the Tongass National Forest since 1979 should be evaluated. The Tongass Land-Management Plan should reflect excessive changes in cash flow or net public benefits which may have occurred.

(4) Particular attention should be given to the Forest Service's new Timber Sale Program Information Reporting System which attempts to define and more accurately measure net public benefits as well as cash-flow analysis. The Society is currently assembling a task force composed of a wide range of forestry professionals to monitor the implementation and accuracy of this new system. We expect to have an interim report available by late summer 1988 and a final report in the summer of 1989, and we would be happy to share the findings with members of Congress.

(5) The Forest Service should encourage a businesslike attitude on the Tongass, aimed at effectively accomplishing objectives and meeting constraints in the most cost-effective manner. For example, the Forest Service should have the flexibility to adjust timber sale offerings to take advantage of market fluctuations.

(6) The role of community stability in natural-resource management, and therefore its effect on below-cost timber sales, should be more clearly defined. A Society task force is also studying this issue, and we expect to have a final report in early 1988. Again, we would be happy to share our findings with you.

To reiterate, the Society believes the existing land-management planning process is the most appropriate vehicle for making changes to special provisions concerning the Tongass National Forest. We are especially concerned that any legislation that would interfere with this process would have negative implications for professional forest management throughout the nation. Although the Society does not have a position on the Tongass Timber Supply Fund, we are concerned with such below-cost timber sales. Therefore, the Society encourages the development of management alternatives both with and without the constraints imposed by ANILCA. If Congress deems it appropriate, changes to ANILCA can be made after the revised plan is completed.

We appreciate this opportunity to present our views.

Adopted by the Council of the Society of American Foresters on November 11, 1987, in accordance with SAF Bylaw 11-J1(a).

STATEMENT OF TIM MAHONEY
WASHINGTON REPRESENTATIVE
SIERRA CLUB

BEFORE THE
SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS, AND FORESTS
SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES
November 3, 1987

Mr. Chairman, my name is Tim Mahoney, Washington Representative of the Sierra Club, a national conservation organization of more than 400,000 members. Sierra Club includes a healthy and active Alaska Chapter and includes groups in Juneau, Sitka and Fairbanks. Protecting the Tongass National Forest is an important Alaskan priority.

Over 100 years ago, Sierra Club founder John Muir explored the wilds of Southeast Alaska in a Tlingit Indian canoe. He described the grandeur of the Tongass as an "endless rhythm and beauty." Today that endless and beauty has been shattered. The Tongass is not only our largest and wildest national forest, but it is also our most mismanaged and abused national forest. We are here today to speak in strong support of S. 708. This legislation marks the first step in gaining much needed reform of the management of the Tongass.

We must warn, however, that it is a first step. Even if it were to pass intact, forest management problems on that forest will continue. For while S. 708 will end the bypass of the appropriations process and probably reduce the overall level of federal spending, this will reduce the rate of destruction but not change the direction of Forest Service management.

In order to truly reform the long-term management woes of the Tongass, the Senate should consider two additional requirements: (1) directing the Chief of the Forest Service to terminate the two unprecedented and anachronistic 50-year timber sale contracts, and (2) designating additional deserving wild areas as units of the National Wildernes Preservation System.

The travesty brought about by the 50-year contracts is well documented and undoubtedly will be reviewed in detail by some of the speakers here today. I think it is wise to consider the words of former House Public Lands Chairman John Seiberling who chaired oversight hearings on the Tongass one year ago. In reference to the contracts he said:

> I don't feel that either Louisiana Pacific of APC [Alaska Pulp Corporation] have any equity left in their claim that they came over here to make an investment based on the 50-year contracts. Their conduct, squeezing small people out of business, violating our antitrust laws, has long ago eliminated any moral claim they had for the continuation of that....It seems to me that the best thing to do would be to scrap the contracts and put APC and Louisiana Pacific on the same basis as everybody else.

Sierra Club believes that the contracts must be cancelled. They are the bedrock for a host of environmental and social problems plaguing the Tongass today. The two long-time timber contracts give unprecedented domination of Tongass Forest management to Louisiana Pacific/Ketchikan (LPK) and Alaska Pulp Corporation (APC), (formerly Alaska Lumber and Pulp). Together, LPK and APC control one-third of the Tongass land area and two-thirds of the commercial forest land. Although these contracts predate the Multiple Use Act and the National Forest Management Act, the Forest Service has yet to bring them into compliance with those laws.

In 1981, these companies were found guilty in federal district court of conspiracy in restraint of trade, collusion, and anti-trust violations. The court ruled that they had conspired to run every independent logger operating in the Tongass out of business and bilked the government out of $80 million in timber receipts. They had assumed control of over 90% of the

Tongass-based timber processing industry, a position they continue to enjoy today.

Although the Chief of the Forest Service admits that ANILCA "certainly doesn't mandate a harvest," the Forest Service is spending the money to build "advance roads" [or "pre-roads" which the Forest Service has now taken to calling "public work roads"] in pristine wild drainages in order to gain access to still more unnecessary timber sales. Many foresters privately admit that they are merely following an unwritten agency direction to road every unlogged drainage possible by 1989, the year the Forest Service may consider new wilderness and roadless designations.

In 1980, after years of intense controversy, the monumental Alaska Lands Act became law. The act was a landmark piece of legislation, yet in many ways it marked the beginning of the struggle to protect the best of the last of the prime old-growth rain forest in the Tongass. While 5.4 million acres of the Tongass were set aside as Wilderness, much of the raw acreage is "wilderness on the rocks." Many key old-growth forest lands -- which are prime habitat for fish and wildlife -- are currently on the chopping block, facing the combined juggernaut of Sec. 705 of ANILCA and the 50-year contracts.

There are a number of key unprotected places which are experiencing their last stand. We believe that today's hearing is the proper time to urge the members of this Subcommittee to add additional areas in the Tongass to the National Wilderness Preservation System as a part of an overall reform package.

Lands that should be added include the West Chichagof Additions -- the remainder of our original proposal which were a part of the 1979 House-passed Alaska Lands bill, including the Lisianski River corridor and the Hoonah Sound region. In addition, there are other deserving lands, such as the Upper Tenakee - John Muir Portage area, lands adjacent to the eastern shore of Hoonah Sound, and linked with the Kadashan River watershed. (Muir visited the areas adjacent to Tenakee Inlet in 1880 and one of his chief guides was a Tlingit named Kadashan.) The Forest Service has approved APC's logging plans for much of this area adjacent to the existing wilderness in the 1986-90 logging EIS. Both Kadashan and Lisianski Rivers will be proposed once again for logging by the Forest Service in 1989-90.

Yakutat Forelands -- the lands east of the Dangerous River, all the way to Dry Bay, should be managed as wilderness or added to Glacier Bay, a National Preserve. The Forest Service seeks to build over 160 miles of new roads in the area before the 1989 Tongass Land Management Plan (TLMP) Revision.

Chuck River - Windham Bay -- visited by Muir in 1880 -- is an important salmon fishery and a logical addition to the Tracy Arm Wilderness. Its forested slopes would complement the largely unforested lands of the existing Wilderness. The Forest Service seeks to construct over 20 miles of road in the area prior to the TLMP Revision.

There are also deserving areas which the Congress considered in 1979, which should be designated wilderness now: Karta River, Rocky Pass, Duncan Canal, Etolin Island, and additions to the existing Tebenkof Wilderness (Bay of Pillars and adjacent roadless lands on east and south Kuiu), South Prince of Wales Wilderness (Nutkwa River), Admiralty Monument (Youngs Lake). Other proposals which should be studied include the "Outside Islands" of Noyes, Baker, Lulu, and San Fernando (west of Prince of Wales), Trap Bay (small area south of Tenakee), Mt. Calder - Mt. Holbrook area (north Prince of Wales and East Koskiuski Island), Sarkar Lakes (Prince of Wales) could include existing LUD II and adjacent roadless lands, and Sawmill Creek (Berners Bay north of Juneau). The Sierra Club would be delighted to provide details to the Subcommittee on acreage and boundaries in writing following this hearing.

In closing, Mr. Chairman, Section 705 of ANILCA was an unnecessary, unprecedented, destructive piece of law. Ending this fiscal waste and reducing the unnecessary and unwarrranted destruction in southeast Alaska are vital. However, until the contracts that drive the Forest Service to destruction are ended, the same direction of agency efforts wil continue. And ultimately, the most sensitive lands will still be in jeopardy until positive protective legislation is considered and passed.

Thank you, Mr. Chairman.

Rcd
7/9

CITY OF YAKUTAT, ALASKA

RESOLUTION NO. 85-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YAKUTAT, ALASKA IN SUPPORT WITH OTHER SOUTHEAST ALASKAN COMMUNITIES OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE ("450") REQUIRED TIMBER CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, as a bush community, our lives are based on the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources can be detrimentally effected by this amount of timber cutting; and

WHEREAS, this level of timber harvest does not allow adequate flexibility in the management of the forest for all multiple uses; and

WHEREAS, the "450" timber cut does not include ongoing timber harvesting on State and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

THEREFORE BE IT RESOLVED, that the Common Council of the City of Yakutat hereby stands opposed to the 4.5 billion board feet per decade ("450") required timber cut on the Tongass National Forest.

PASSED AND APPROVED THIS 7TH DAY OF ~~MAY~~ June, 1985.

CITY OF YAKUTAT, ALASKA

MAYOR

ATTEST:

Deborah Harris
CITY CLERK

CITY OF TENAKEE SPRINGS

Resolution 85-17

In the Council
July 9, 1985

Introduced by the
Council President

A RESOLUTION OPPOSING THE "450" CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, living in a balanced environment possessing a wealth of natural resources insures each individual the choice of how to live. Having that choice is important to the residents of Tenakee Springs; and

WHEREAS, the Tongass National Forest lands form an integral part of our lifestyle in Tenakee Springs. The forest lands and the countless resources they produce affect not only how we live, but also where and why we live in this community; and

WHEREAS, we use a number of forest resources for many purposes in our lives: timber for lumber and heat, wildlife and fish for food, sport, and recreation, furbearers for income, and plants for food; and

WHEREAS, the residents of Tenakee Springs are understandably concerned about the present and future management of Tongass National Forest lands.

1. We want a financially healthy and realistic timber industry. An industry prepared to make a meaningful contribution to the local and regional economy year after year. An industry that accepts the responsibility of sharing the natural resources of the Tongass with other industries and interests.

2. We recognized that old growth forests are a non-renewable resource and provide critical fish and wildlife habitat. We appreciate the necessity of fish and wildlife to the maintenance and enrichment of subsistence and rural lifestyles.

3. We believe it is important to protect salmon streams and crab habitat to sustain the fishing industry in Southeast Alaska.

4. We consider maintaining forest land in its natural state critical to the potential future development of a growing tourism and recreation industry.

5. We understand the significance of wilderness as a generator of clean air and water in our environment; and

WHEREAS, timber management on the Tongass National Forest is governed by a congressional and contractual mandate specifying that 450 mmbf/year be designated for harvest. This 450 cut level was arbitrarily established some years ago as a political carrot and economic enticement to encourage development of a timber industry in Southeast Alaska. At the time it was felt that the timber industry was necessary to help settle and stabilize the area. The 450 cut level is not based on an objective scientific assessment of the sustainable timber harvest level on the Tongass. The 450 cut level does not take into consideration natural fluctuation in the timber market or changes in forest management priorities; and

WHEREAS, the obligatory 450 cut level, which also guarantees a minimum of

$40 million per year in federal subsidies, insures that commercial timber harvest dominates the present list of forest management priorities. The 450 cut level was established prior to the multiple-use concept of forest management; and

WHEREAS, since the 1971 Alaska Native Claims Settlement over 500,000 acres of National Forest Lands have been removed from the base and turned over to Native Corporations. The Forest Service estimates that the Native Corporations now control 20-25% of the commercial timber volume left in the Tongass. The Tongass timber base has been substantially reduced and yet the 450 cut level has remained unchanged; and

WHEREAS, Native Corporations are now cutting more timber annually than originally predicted by the Forest Service. While Native Corporation contracts are accounting for additional jobs in the timber industry, there has been no subsequent adjustment to the 450 cut level on the part of the Forest Service. This situation equates to additional federal subsidy and interference with the timber industry; and

WHEREAS, the high levels of Forest Service subsidies for pulpwood to supply the mills in Sitka and Ketchikan inflate the pulp market to such an extent that Native timber operations cannot always recover costs on the sale of pulpwood. Many trees are left on the ground to rot; and

WHEREAS, the Alaska National Interest Lands Conservation Act (ANILCA) specifies that beginning in December 1985 and every two years thereafter the United States Congress will reveiw the status of the Tongass National Forest. This provides an important opportunity for communities such as Tenakee Springs to provide direct and meaningful input to determine the future management of Tongass National Forest Lands; and

WHEREAS, annual timber harvest levels from the Tongass have consistently run below the 450 cut level in spite of large federal subsidies to the timber industry. This fact clearly demonstrates the economic infeasibility of the 450 cut;

THEREFORE BE IT RESOLVED by the City Council of Tenakee Springs that this community stands opposed to the 450 mmbf per year mandated cut on the Tongass National Forest.

ADOPTED 6 yeas 1 Nay THIS 9th DAY OF JULY, 1985

Diane Ziel
Diane Ziel
City Council President
ex officio MAYOR

ATTEST:

Janice J. Eagle
Janice J. Eagle
City Clerk

COMMUNITY OF PORT PROTECTION

A RESOLUTION OF THE COMMUNITY OF PORT PROTECTION, ALASKA IN SUPPORT WITH OTHER SOUTHEAST ALASKAN COMMUNITIES OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, as a rural "Bush" community our economic and subsistance well being is dependant on surrounding fish and wildlife resources; and

WHEREAS, our collective fish and wildlife habitat will be severly impacted by this excessive harvest; and

WHEREAS, this level of timber harvest does not fairly consider or allocate for true multiple use placing timber concerns over community needs; and

WHEREAS, the 4.5 billion board feet mandate does not include ongoing harvesting on State, Native Corporation, and private holdings and should be reduced to reflect a true balance of harvest clearcutting occuring between Forest Service, The State of Alaska, Native Corporations, and private landowners.

WHEREAS, current logging practices stress "high grading" over fish and wildlife resources and habitat, and

Therefore, let it be resolved that the Community Council of the Village of Port Protection hereby stands opposed to the 4.5 billion board feet per decade required timber cut on the Tongass National Forest, and that furthur cutting be brought in line with similar activities in the Lower 48 and a uniform harvestand cleanup reforestation policy apply.

PASSED AND APPROVED THIS 1st DAY OF NOVEMBER, 1985.

Community of Port Protection, Ala

CHAIRMAN

ATTEST

Shirley Piedra
Community Secretary

BEST AVAILABLE COPY

CITY OF PORT ALEXANDER
Box 725 • Port Alexander, Alaska 99836

Resolution 84-6

Whereas, as a bush community, our lives are based on the surrounding fish and wildlife resources, and

Whereas, biologists have determined that excessive timbering and/or clearcutting can be detrimental to these resources, and

Whereas, the "450 cut" is a political mandate not based on economic principles, as evidences by the millions of dollars lost annually on the Tongass National Forest, and

Whereas, this level of timber harvest does not allow flexibility in the management of the forest for all multiple uses,

BE IT RESOLVED that the community of Port Alexander stands opposed to the "450" * timber cut on the Tongass National Forest.

This resolution is hereby adopted by a unanimous vote, this 5th day of October, 1984.

Paul H Young
~~Linda Haven~~ Mayor
PAUL YOUNG

Amy Limber
Amy Limber
City Clerk

* referring to ANILCA legistation that calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of 40 million dollars or as much as is necessary to accomplish this legislation.

Community of Point BAKER, Prince of WAles Is

A RESOLUTION OF THE COMMUNITY OF Point BAKER ALASKA IN SUPPORT WITH OTHER SOUTHEAST ALASKAN COMMUNITIES OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, as a rural "Bush" community our economic and subsistance well being is dependant on surrounding fish and wildlife resources; and

WHEREAS, our collective fish and wildlife habitat will be severly impacted by this excessive harvest; and

WHEREAS, this level of timber harvest does not fairly consider or allocate for true multiple use placing timber concerns over community needs; and

WHEREAS, the 4.5 billion board feet mandate does not include ongoing harvesting on State,Native Corporation, and private holdings and should be reduced to reflect a true balance of harvest clearcutting occuring between Forest Service, The State of Alaska, Native Corporations, and private landowners.

WHEREAS, current logging practices stress "high grading" over fish and wildlife resources and habitat, and

Therefore, let it be resolved that the Community Council of the Village of Point BAKER [redacted] hereby stands opposed to the 4.5 billion board feet per decade required timber cut on the Tongass National Forest, and that furthur cutting be brought in line with similar activities in the Lower 48 and a uniform harvestand cleanup reforestation policy apply.

Community of Point BAKER, Alaska

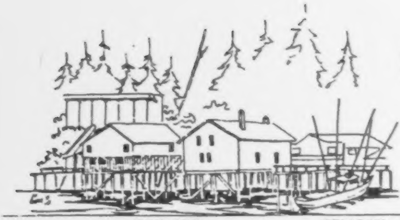
Mike Mortell DEC 3 1985

ChairMAN Mike Mortell
Box 53 Point Baker
99927

Attest

Joseph Sebastian

Community SECRETARY
Acting Joseph SEBASTIAN
129 Pt BAKER AK 99927



City of Pelican

BOX 757 – PELICAN, ALASKA 99832 – PHONE 735-2202

RESOLUTION 1985-4

A RESOLUTION OPPOSING THE "450 CUT"
IN THE TONGASS NATIONAL FOREST

WHEREAS, as a bush community, our lives are based on the surrounding fish and wildlife resources; and,

WHEREAS, biologists have determined that excessive timbering and/or clearcutting can be detrimental to these resources; and,

WHEREAS, the "450 cut" is a political mandate not based on economic principles, as evidenced by the millions of dollars lost annually on the Tongass National Forest; and,

WHEREAS, this level of timber harvest does not allow flexibility in the management of the forest for all multiple uses,

THEREFORE BE IT RESOLVED THAT the Pelican City Council is opposed to the "450 cut"* timber policy on the Tongass National Forest.

PASSED, APPROVED AND ADOPTED THIS 11th DAY OF FEBRUARY 1985.

signed: Harry A. Davidson
Harry A. Davidson, Mayor

attest:

Edith M. Carlson
Edith M. Carlson, City Clerk

* referring to ANILCA legislation that calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of 40 million dollars or as much as is necessary to accomplish this legislation.

OFFICE OF THE MAYOR - PUBLIC WORKS DEPARTMENT - PELICAN HEALTH CLINIC - PELICAN VOLUNTEER FIRE DEPARTMENT

Resolution 86-2

A RESOLUTION BY THE CITY OF KUPREANOF, ALASKA IN SUPPORT WITH OTHER SOUTHEASTERN COMMUNITIES OPPOSING THE 4.5BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER CUT, 50 YEAR APC AND LPK CONTRACTS, AND ABUSE OF THE TONGASS TIMBER FUND ON THE TONGASS NATIONAL FOREST.

WHEREAS, Kupreanof is a rural community, our lives are based on the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources will be detrimentally effected by this amount of timber cutting; and

WHEREAS, this level of timber harvest does not allow adequate flexibility for the long term management of the forest for all multiple uses; and

WHEREAS, the Timber Supply Fund is currently being used to access high yield stands of timber, which are also critical habitat for fish and wildlife instead of preroad marginal stands of timber to increase their economic viability; and

WHEREAS, under the current management the "450" cut and 50 year contracts are allowing the Tongass to be hygraded for it's high yield timber, this management is fueled by the wasteful use of the Timber Supply Fund. The loss of these areas of high yield will result in any long term timber industry sustaining itself with timber that is less economically viable; and

WHEREAS, the "450" cut and 50 year contracts allows for the carry over of timber from one operating period to the next, causing severe boom and bust cycles for the communities within the Tongass National Forest; and

WHEREAS, the "450" cut does not include ongoing timber harvesting on state and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Kupreanof, Alaska, that it opposes the 4.5 Billian board feet per decade cut, the 50 year contracts, and the abuse of the Timber Supply Fund.

Date April 14, 1986

Mayor Delbert T Baade City Clerk Emily V. Merriam

CITY OF HYDABURG
P.O. BOX 49
HYDABURG, ALASKA 99922
(907) 285-3761

RESOLUTION NO. 86-03

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HYDABURG, ALASKA IN SUPPORT WITH OTHER SOUTHEAST ALASKAN COMMUNITIES OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE ("450") REQUIRED TIMBER CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS, as a bush community, our lives are based on the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources can be detrimentally effected by this amount of timber cutting; and

WHEREAS, this level of timber harvest does not allow adequate flexibility in the management of the forest for all multiple uses; and

WHEREAS, the "450" timber cut does not include ongoing timber harvesting on State and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

THEREFORE BE IT RESOLVED, that the Council of the City of Hydaburg, in Hydaburg Alaska hereby stands opposed to the 4.5 billion board feet per decade ("450") required timber cut on the Tongass National Forest.

PASSED AND APPROVED THIS fourth day of March, 1986.

CITY OF HYDABURG, ALASKA

Robert Sanderson
Robert Sanderson, Mayor

ATTEST:

Margaret O'Neil
Margaret O'Neil, City Clerk

CCR-86-01-14-01

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF HOONAH, ALASKA, IN SUPPORT WITH OTHER SOUTHEASTERN COMMUNITIES OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER CUT, 50 YEAR APC AND LPK CONTRACTS, AND ABUSE OF THE TONGASS TIMBER FUND ON THE TONGASS NATIONAL FOREST.

WHEREAS, Hoonah is a rural community, our lives are based on the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources will be detrimentally effected by this amount of timber cutting; and

WHEREAS, this level of timber harvest does not allow adequate flexibility for the long term management of the forest for all multiple uses; and

WHEREAS, the Timber Supply Fund is currently being used to access high yield stands of timber, which are also critical habitat for fish and wildlife instead of preroad marginal stands of timber to increase their economic viability; and

WHEREAS, under the current management the "450" cut and 50 year contracts are allowing the Tongass to be hygraded for it's high yield timber, this management is fueled by the wasteful use of the Timber Supply Fund. The loss of these areas of high yield will result in any long term timber industry sustaining itself with timber that is less economically viable; and

WHEREAS, the "450" cut and 50 year contracts allows for the carry over of timber from one operating period to the next, causing severe boom and bust cycles for the communities within the Tongass National Forest; and

WHEREAS, the "450" cut does not include ongoing timber harvesting on state and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hoonah, Alaska, that it opposes the 4.5 billion board feet per decade cut, the 50 year contracts, and the abuse of the Timber Supply Fund.

Votes _____ Yea 6 Nay 0

January 14, 1986

Miles N. Murphy, Jr., Mayor

ATTEST:

Joyce Mills

Joyce Mills, City Clerk

JAN 15 1986

Gustavus Community Association
Box 62
Gustavus, Alaska 99826

TO: Senator Stevens
Senator Murkowski
Representative Young
Representative Sieberling

FROM: President, Gustavus Community Association

SUBJECT: the "450 Timber Cut" on the Tongass National Forest

DATE: January 13, 1986

At the December 12, 1985 general meeting of the Gustavus Community Association, it was resolved to urge your support in removing the "450 timber cut" provision from the Alaska National Interest Land Classification Act, during the upcoming congressional review of this legislation.

Our reasoning is as follows:

Whereas, the livelihoods of Gustavus residents depend heavily on tourism, fishing and subsistence, and

whereas, biologists and others have determined that excessive timbering can be detrimental to these resources, and

whereas, the "450 timber cut" does not allow enough flexibility in the management of the National Forest for all appropriate uses, and

whereas, this level of harvest is not economically sensible, as shown by the millions of dollars spent to subsidize the forest products industry on the Tongass,

we therefore oppose the "450 timber cut" on the Tongass National forest.

(Information: ANILCA calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of up to $40 million.)

SIGNED: ______________________
President, Gustavus Community Association

Community of Elfin Cove Non-Profit Corporation
POST OFFICE BOX ONE
ELFIN COVE, ALASKA 99825
(907) 697-8131

RECEIVED
MAR 03 1985
[illegible]
CONSERVATION COUNCIL

Whereas, as a bush community, our lives are based on the surrounding fish and wildlife resources, and

Whereas, biologists have determined that excessive timbering and/or clearcutting can be detrimental to these resources, and

Whereas, the "450 cut" is a political mandate not based on economic principles, as evidenced by the millions of dollars lost annually on the Tongass National Forest, and

Whereas, this level of timber harvest does not allow flexibility in the management of the forest for all multiple uses,

BE IT RESOLVED that the Community of Elfin Cove Non-Profit Corporation stands opposed to the "450"* timber cut on the Tongass National Forest.

This resolution is hereby adopted by a unanimous vote, this 15th day of February, 1985. The Board of Directors are as follows:

Louise Mourant
Louise Mourant, Vice-Chair

Nora Ann Johnson
Nora Ann Johnson, Treasurer

Sandra Darnell
Sandy Darnell, Secretary

Paul Johnson, Member

Joe Craig, Member

Mary Jo Lord-Wild
Mary Jo Lord-Wild, Member

Greg Howe, Chairperson

* referring to ANILCA legislation that calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of 40 million dollars or as much as is necessary to accomplish this legislation.

Edna Bay Community
Edna Bay, Alaska

Resolution 85-12:3-3

Whereas, as a bush community, our lives are based on the surrounding fish and wildlife resources, and

Whereas, biologists have determined that ~~excessive~~ timbering and/or clearcutting can be detrimental to these resources, and

Whereas, the '450 cut' is a political mandate not based on economic principles, as evidenced by the millions of dollars lost annually on the Tongass National Forest, and

Whereas, this level of timber harvest does not allow flexibility in the management of the forest for all multiple uses,

BE IT RESOLVED that the community of Edna Bay stands opposed to the '450' * timber cut on the Tongass National Forest.

This resolution is hereby adopted by majority vote, this 3rd day of March, 1985.

Bert Bergman
Bert Bergman
Board President

Valerie E Brooks
Valerie Brooks
Secretary

* referring to ANILCA legislation that calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of 40 million dollars or as such is necessary to accomplish this legislation.

P.O. Box 23, Craig, Alaska 99921 (907) 826-3275

RESOLUTION NO. 86-04

A RESOLUTION SUPPORTING OTHER SOUTHEASTERN COMMUNITIES OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER CUT, 50 YEAR APC AND LPK CONTRACTS, AND ABUSE OF THE TONGASS TIMBER ON THE TONGASS NATIONAL FOREST

WHEREAS, Craig is a rural community, our lives are based on the surrounding fish and wildlife resources; and

WHEREAS, our fish and wildlife resources will be detrimentally effected by ~~-~~this amount of timber cutting; and

WHEREAS, this level of timber harvest does not allow adequate flexibility for the long term management of the forest for all multiple uses; and

WHEREAS, the Timber Supply fund is currently being used to access high yield stands of timber, which are also critical habitat for fish and wildlife instead of preroad marginal stands of timber to increase their economic viability; and

WHEREAS, under the current management the "450" cut and 50 year contracts are allowing the Tongass to be hygraded for it's high yield timber, this management is fueled by the wasteful use of the Timber Supply Fund. The loss of these areas of high yield will result in any long term timber industry sustaining itself with timber that is less economically viable, and

WHEREAS, the "450" cut and 50 year contracts allows for the carry over of timber from one operating period to the next, causing severe boom and bust cycles for the communities within the Tongass National Forest; and

WHEREAS, the "450" cut does not include ongoing timber harvesting on state and private lands and should be reduced to reflect a balance of timber cutting activities amongst the Forest Service, the State of Alaska, and private landowners.

APPROVED April 3, 1986

Votes: Yea 4 Nay 2

Mayor

Attest: City Clerk

CITY OF KASAAN
DEPARTMENT OF ADMINISTRATION
CITY OFFICES KASAAN, ALASKA 99924
907-542-2212

RESOLUTION NO. KA-87-10-24

A RESOLUTION OF THE CITY COUNCIL OF KASAAN, ALASKA, IN SUPPORT WITH OTHER SOUTHEAST ALASKA COMMUNITIES IN OPPOSING THE 4.5 BILLION BOARD FEET PER DECADE (450) REQUIRED TIMBER CUT ON THE TONGASS NATIONAL FOREST.

WHEREAS: THE CITY OF KASAAN WOULD LIKE TO SEE THE SOUTHEST ALASKA FOREST PRODUCTS INDUSTRY REMAIN VIABLE AND STABLE; AND

WHEREAS: THE FOREST PRODUCTS INDUSTRIES ARE DEPENDENT ON HIGH VOLUME OLD GROWTH FOR ITS BEST TIMBER; AND

WHEREAS: HEALTHY FISH AND WILDLIFE POPULATIONS ARE IMPORTANT TO TOURISM, COMMERCIAL FISHING, AND SUBSISTANCE USERS; AND

WHEREAS: THE TONGASS NATIONAL FOREST IS A PUBLIC FOREST, TO BE USED EQUALLY BY ALL; AND

WHEREAS: THE "450" MANDATED HARVEST LEVEL DOES NOT ALLOW ADAQUATE FLEXIBILITY FOR THE LONG TERM MANAGEMENT OF THE FOREST FOR ALL MULTIPLE USES.

NOW THEREFORE BE IT RESOLVED: BY THE CITY COUNCIL OF KASAAN, ALASKA, THAT IT OPPOSES THE 4.5 BILLION BOARD FEET PER DECADE REQUIRED TIMBER CUT ON THE TONGASS NATIONAL FOREST.

ADOPTED AT A DULY CONVED MEETING OF THE CITY COUNCIL OF KASAAN, ALASKA, THIS 15 DAY OF [illegible], 1987.

Estelle Thompson
MAYOR

CITY SEAL

ATTESTED: ______________________
CITY CLERK

Mollykemp
Box 571
Tenakee Springs Ak 99841
November 14, 1987

NOV 20 AM

Hon Dale Bumpers
V.S. Senate
Washington D.C. 20501

Dear Senator Bumpers

I would like to have my support for SB 708, the Tongass Timber Reform Act, included in the record of the hearings held November 3 and November 5, 1987.

I live in Tenakee Springs, a small community on Chickagof Island within the Tongass National Forest. Year after year the U.S. Forest Service has told our community that regardless of the validity and urgency of our concerns the first priority for Tongass Management is fulfilling the "450 mandate". The USFS "Interdisciplinary Team" we met with today admitted that they don't know whether it's even possible to fulfill that quota - or what will be left by the time they finish their study. While USFS representatives come and go, the fact remains that the irreplaceable old growth that we depend on is being systematically destroyed, and at our expense.

If our magnificent forest were being sold profitably in a desparate attempt to defray the national debt, it might be possible to summon enough spirit of patriotic sacrifice to accept the resulting devastation. I can not and will not accept the use of my tax dollars to destroy the wilderness I cherish.

Particularily in light of our country's current economic situation, it is inconcievable that Congress can ignore this intolerable waste of resources and tax dollars. It is exactly this sort of blatant pork-barrel that has gotten us into the economic mess we're in now.

I urge the immediate adoption of S 708, the cancellation of the 50 year contracts, and the designation of key high volume old growth areas as wilderness to protect them from future shenanigans.

Sincerely

Molly Kemp

November 14, 1987

The Honorable Dale Bumpers
United States Senate
Washington, D.C. 20510

Dear Senator Bumpers:

I respectfully request that this letter and the attached articles be included in your deliberations and appended to the hearing records for Senate Bill 708, the Tongass Timber Reform Act.

First let me state clearly for the record that I am not of those "wild eyes environmentalists" so often referred to when any questioning of Forest Service policy arises. I have been a Naval Officer, a reasonably high level State bureaucrat, a management and economic consultant and an Alaska resident for 18 years. I heat my wooden Tenakee house with wood and gladly burn gasoline in my boat and diesel in my generator. I recognize that rational development must occur to sustain mankind.

What prompts my letter to you is long standing frustration over the self-serving, deceitful, arrogant and insensitive actions of the U.S. Forest Service in connection with the City of Tenakee Springs in particular, and the Tongass National Forest in general. I am not alone in this concern as evidenced by the articles I've enclosed from The Sitka Star newspaper, week ending November 13, 1987.

The City of Tenakee Springs is actually an isolated village of about 140 people, mostly retirees. We are located on Tenakee Inlet about 50 air miles Southwest of Juneau, Alaska and 60 air miles North of Sitka, Alaska. One of the aspects that make life somewhat different and appealing is that there are no cars allowed in Tenakee Springs by City Ordinance. Transportation in and around Tenakee Springs is limited to foot traffic, very limited 3-Wheeler traffic and skiffs. There is a great reliance here on subsistence resources (e.g. fish, deer, crab, berries and gardening). Uniformly, there is a desire expressed by City Council resolution and ordinance and private citizens concerns to have no road and attendant vehicle traffic into Tenakee Inlet, thereby preserving our lifestyle.

The Forest Service on the other hand seems intent on having the entire island chain, comprising the bulk of the Tongass Forest, interlaced with roads. From Tenakee's viewpoint, one road in particular has been in contention for years. There exist written agreements among the State, City of Tenakee Springs and logging contractors that at least until 1991 an existing road which dead ends shortly above Tenakee would not be connected to any other road system. Despite these written agreements, previous verbal assurances from the U.S. Forest Service (since denied), innumerable hearing testimony statements, repeated written complaints from the City of Tenakee Springs, City Council Resolutions, letters from private citizens, and participation by the city in various lawsuits, the U.S. Forest Service is going ahead and connecting the road in question and furthermore, plans on roading and clear cutting almost the entire inlet over the next 25 years. In anger, one of the Foresters threatened us with the statement "You haven't begun to see clear cuts yet." The Forest Service knows that the city cannot long sustain court challenges when we have only a few thousand dollars available and they are guaranteed $40,000,000 a year by act of Congress. Their latest threat is to take condemnation action on a small strip of city owned land, selected by the city in an attempt to seal off road access. So much for representative government. Apparently, we can expect little or no help from our state elected officials, nor our own U.S. elected officials. Tenakee can in no way match the campaign contributions and economic power of the existing Tongass Forest $40,000,000 a year boondoggle. Hence I turn to you for help in preserving our life style.

As I'm sure you are aware similar battles are taking place all over Southeast Alaska. In villages, such as Angoon, Port Alexander and a dozen other communities, big and small, efforts are being made to make the U.S. Forest Service responsive to needs, other than their own and the timber industry. This is not a fight between environmentalist and loggers but between people and their government. Please help us.

Aside from local concerns, at the national level it makes no sense to me for the U.S. Government to spend between $140.00 to $160.00 per thousand board feet of timber and sell it to the Japanese for $2.00 per thousand board feet. Why should we subsidize Japan's economy and my children inherit clear cut "stump farms" for our effort.

It makes no sense to me to turn the Forest Service into one of the biggest road building agents in the world, just to assure their annual subsidy and added bureaucrat jobs. The last numbers of which I'm aware indicate the Forest Service pays logging contractors about $93,000 per mile of gravel road to nowhere. Why? To use up subsidy money and gain more foresters?

There is a veritable palace of a Forest Service building across the Inlet from where I live. It stands essentially empty. The boundaries of the Sitka District have been gerrymandered to our side of the Inlet by the Forest Service to help justify more road connections on our side.

One of the major players in the Sitka Forest Service bureaucracy was essentially "run out" of Juneau for secretly building a road and bridge into an area that had previously been an historic cross country ski area (and fortunately still is). Tenakee lacks the clout of the City and Borough of Juneau to upend Forest Service actions. But when does this road monomania end?

I'm sure that should you make inquiry into any of these comments with the U.S. Forest Service, they will label me a crazy or and environmental freak. They will, with tongue in cheek, proudly point to the many hearing held and planned as evidence of their "great concern" over local issues. However at no hearing in Tenakee did the Forest Service record or take notes of the results. Many commitments made at hearings were later changed or denied. They will trot out multitudes of propaganda about the fine job they do in balancing requirements. In short they will most likely lie to you as they have repeatedly to us. Please corroborate my statements with City of Tenakee Springs and City and Borough of Juneau records and residents, if questioned.

The U.S. Forest Service is an agency run amuck. Self serving, feeding off itself, bloated and made unaccountable and arrogant by act of Congress. Senate Bill 708 is the only apparent hope of curtailing their power. While I'm not particularly fond of the designation of wilderness areas, that is the only designation, of which I'm aware, that removes forest land from the control of the Forest Service. Accordingly, I urge that much of the Tongass be placed in the category of wilderness. The Tongass Forest is much too valuable to be entrusted to the U.S. Forest Service and Alaskan power brokers.

Thank you for the opportunity to express my opinion.

Sincerely,

A L Eagle

A.L. Eagle
P.O. Box 67
Tenakee Springs, Alaska 99841

cc: Senator Murkowski
Senator Stevens
Governor Cowper

Sitka Star, Sitka, Alaska, Week Ending November 12, 1987, Page 7

Complaint Filed Over Beached Logs

By ALLEN SYKORA
Sentinel Staff Writer

The Southeast Alaska Conservation Council has filed a complaint with the U.S. Army Corps of Engineers against the two Southeast Alaska pulp mills and other timber operators over abandonment of logs that have washed up on beaches over the course of many years.

The complaint also was signed by a SEACC member, Larry Edwards of Sitka, as an individual.

They allege the presence of millions of board feet of sawn logs on the beaches of Southeast are evidence of violations of the Rivers and Harbors Act of 1899, which prohibits discharge or deposit of "any refuse matter of any kind or description whatever" into navigable waters.

The complainants said many of the drift logs originated in log bundles washed away from the boomed "rafts" in which they were transported to the region's mills.

The SEACC complaint accuses the mills of making little effort to salvage beached logs, and says the logs are a "blatant waste" of forest products. The complainants estimate the log loss at two to three percent of the volume of logs stored or transported by water.

Informed of the complaint, an official with Alaska Pulp Corp. in Sitka said it is "ridiculous" for environmentalists to suggest the mills are careless and don't try to salvage logs, because the mills have made a substantial investment in harvesting and transporting them.

Pulp mill personnel are constantly on the lookout for concentrations of logs which can be salvaged, said George Woodbury, who was recently promoted from logging manager to APC's vice president of timber operations.

Woodbury, who left Ketchikan Pulp Co. to join APC about a year ago, said he believes the charge is just another attempt by environmentalists to harass the Southeast timber industry.

Meanwhile, the head of the Corps enforcement division for its Alaskan district said this week the agency will review the Rivers and Harbors Act to determine which sections may be applicable, as well as the Corps' own authority, before deciding what it will do.

Robert Oja, chief of the regulatory branch for the Alaska District of the U.S. Army Corps of Engineers in Anchorage, said he received a copy of the complaint less than an hour before contacted by the Sentinel Tuesday.

"There's quite a bit of material to digest," he said. "We're doing that now."

He said it may be a week or two before he is ready to announce whether the Corps will proceed with an investigation.

When asked what type of penalties could be imposed if the SEACC complaint were upheld, he responded: "Anything I can say in that regard would be speculative, so I'd prefer not to comment."

SEACC Claims

In their complaint, Edwards and SEACC said a 1982 "Beach Log Salvage" study undertaken by the U.S. Forest Service estimated nearly 200 million board feet of logs washed up on beaches of Southeast Alaska. They said logs are present on about 25 percent of Southeast's shoreline, often in concentrations of about 200,000 board feet per mile. Along with their complaint, they sent pictures of logs on beaches.

"The vast majority of the logs have saw-cut ends, indicating their timber industry origin," they said. While some types of logs have drifted northward from British Columbia and the Pacific Northwest, the complainants contended that most is cut from the Tongass.

"Essentially no effort has been made by either of the pulp mills to recover lost logs except in the case of a few major 'log spills,' and even some major spills did not receive significant effort," the complaint states.

In the complaint, SEACC and Edwards cite navigational hazards caused by floating logs, environmental damage to shorelines, and blockage of access to public uplands.

And in a prepared news release, they complained that the beached logs are a "blatant waste of forest resources."

In a prepared statement, they charged: "...the timber subsidy here is so high that there is a disincentive for industry to conserve the timber it has already cut." They said that under 50-year contracts with the federal government, the mills pay $2 per thousand board feet even though the Forest Service spends $150 per thousand board feet to make it available."

"Due to the subsidy, replacement of lost logs is cheaper than recovering them or preventing loss," they said.

APC Reply

"There is a lot of effort taken to ensure that those logs we produce get to our mills," said Woodbury. "They keep talking about the $2 (per thousand board feet) as if that's all the cost."

The mills' investment is about $200 per thousand board feet, due to the many costs involved in a logging operation beyond stumpage fees paid to the Forest Service, he said.

"Just plain common sense tells you we're not going to be blatant or careless in how you handle them. There's no basis, in my view, for an action like this," he said.

As Woodbury and other APC personnel fly to field logging operations weekly, they are always on the lookout for concentrations of logs which they can retrieve, he explained. He said he is aware of a bundle or more of logs grounded at one site, which he said will be pulled off the beach at the next extra high tide.

Woodbury questioned whether there is actually the number of grounded logs due to pulp mill operations as environmentalists allege. Much of the beached timber is species of wood that does not even originate in Southeast, and the timber includes old pilings and windfalls swept to sea, he said.

Aerial photos taken in the 1950s, when the two mills were just getting started, showed large numbers of beached logs were present prior to full-scale logging operations, he said.

He conceded some logs break away from rafts, but the amount of processable timber on beaches is so small that a salvage operator he once worked with in Ketchikan found it was not economically feasible to do this as a livelihood.

Much of the federal "subsidy" SEACC complains of is not of logging, but of wilderness, he said, since the ANILCA funds were to protect the timber industry only when large tracts of lands were taken out of the timber base. Without that wilderness designation, he said, the mills would not be in lower valued stands which require federal funding to make them economically feasible.

Other Points

SEACC and Edwards alleged in their complaint that timber operators do not "brand" all the logs they put into the water, as as required by law, and that as a result many beached logs cannot easily be traced to logging operations. They said the law which requires this carries no enforcement penalty, thus is "largely ignored by the industry."

Said Woodbury, "They (the Forest Service) won't let us (take logs) out of the logging camps without branding them.... I can safely say everything is branded."

Even logs bought from Native corporations or Canada are branded, he added.

SEACC and Edwards charged: "Loss of logs could have been largely prevented or substantially reduced by using appropriate transportation and storage methods..." Specifically, Edwards said, logs could be barged or stored on dry land, as is done with wood chips.

Woodbury expressed dismay that such alternatives suggested by the environmental community are "always more expensive than what we're doing.

"It's just another way to hurt the economics of what we're doing. You've got to believe after a while their only objective is to shut the whole thing down."

Forest Service Comment

Forester Evans Lutz said the pulp mills have a substantial investment in the logs, and try to recover them when economically feasible. He said the mills are willing also to purchase scattered logs from private operators who want to round them up. The State of Alaska issues licenses at what he described as a nominal fee for such salvage operations.

Another incentive to recover logs, he said, is that both mills are allocated only a specified volume of timber during the life of their 50-year contracts with the federal government, so any loss of logs during the contract period means fewer timber products the mills can market during those 50 years.

He noted that within the last week, some full log rafts broke loose from a storage area at Poison Cove in Peril Straits. "They (APC) got them all back," he said.

He added that the logs are scaled for volume before they go into the water, and payment is based on those figures

Sitka Star, Sitka, Alaska, Week Ending November 13, 1987, Page 3

Senate Urged To End Subsidies for Tongass

By DAVID GOELLER
Associated Press Writer

WASHINGTON (AP) — A former Forest Service economist now working for an environmental group called Thursday for an end to guaranteed federal subsidies for commercial timbering in America's largest national forest.

"The Tongass (National Forest) timber program has proven unsuccessful," Joseph Mehrkens of the Wilderness Society told the Senate Energy and Natural Resources subcommittee on public lands, national parks and forests.

Before recently joining the Wilderness Society staff, Mehrkens spent 17 years with the Forest Service, whose chief, Dale Robertson, testified Tuesday that Congress should make no immediate changes in the Tongass subsidy program.

The Wilderness Society and other environmental groups are pushing for enactment of legislation to repeal a 1980 law that requires the Forest Service to spend at least $40 million a year to support timber sales in the Southeast Alaska forest.

Environmentalists say the government loses 99 cents for each $1 worth of timber harvested from the 16.8 million acre forest. They are asking Congress to place the Tongass under the same year-by-year appropriations system that covers every other national forest.

Opponents, including Alaska lawmakers, say the environmentalists are trying to renege on a deal they made in 1980 that resulted in Congress declaring 5.4 million acres of the huge forest off limits to woodcutters.

Mehrkens, who worked on Tongass matters when he was with the Forest Service's regional office in Juneau, said the guaranteed appropriation has not served its purpose of fostering logging in commercially marginal areas.

"Expenditures have been made to access more valuable timber, support an accelerated road construction program and expand administrative facilities — some of which now sit idle," he testified.

Mehrkens said that despite the money spent on Tongass, timber harvests are down about 50 percent from pre-1980 levels and timber-related employment has fallen 33 percent from the 1970s.

He said he helped prepare the Forest Service's most recent Tongass report to Congress that predicted overall losses from the Tongass program could reach $2.8 billion over the next 50 years.

Mehrkens said the "blank check" syndrome fostered by guaranteed appropriations for the Tongass has fostered the building of roads that are not needed because of a worldwide dip in the demand for timber.

He said the 1980 law "is inconsistent with sound resources management on the Tongass and the realities of southeast Alaska as a timber supplier in world markets."

"If the current situation persists, the Forest Service — lacking accountability — will continue spending funds to prepare unwanted timber sales, accelerate roading and maintain its own infrastructure with little regard for timber demand," Mehrkens said.

Robertson told the subcommittee that Congress should hold off on any major changes in the Tongass law until the Forest Service completes work on the periodic revision of its management plan for the forest.

More Wilderness In Tongass Sought

KETCHIKAN (AP) — Aides to a California congressman are writing legislation aimed at adding wilderness to the Tongass National Forest.

The legislation would add up to 1 million acres to the 5.4 million acres of wilderness created in the 16-million-acre Alaska panhandle by the Alaska National Interest Lands Conservation Act of 1980.

The wilderness bill is in the works in offices of Rep. George Miller, D-Calif.

The final draft of the legislation has not been made public. But sources on Capitol Hill and in the environmental community say the bill will be released by the end of the year.

Miller is the second-ranking Democrat on the House Interior Committee, which is also considering two bills on Tongass forest management. One bill would require yearly oversight of federal appropriations to the national forest, the other would cancel two 50-year timber harvest contracts at pulp mills in Ketchikan and Sitka. Both bills are sponsored by Rep. Robert Mrazek, D-N.Y., a member of the appropriations committee.

"The sites are mostly geared toward protecting key fish and wildlife watersheds," said Bart Koehler, executive director of the Southeast Alaska Conservation Council.

Koehler said five ~~sites~~ near Ketchikan [redacted] in the bill. On Prince of [redacted] Island, sites include the watersheds of the Nutkwa and Karta rivers, Noyes, Baker and Lulu islands near Craig and Klawock, and Mount Calder and Mount Holbrook on the north end of the island. Koehler also pointed to the Naha River watershed on Revillagigedo Island north of Ketchikan.

Koehler said the proposal is still in flux and details were not yet available.

Miller's staff in Washington, D.C., was unavailable for comment.

Dan Kish, an aide to Rep. Don Young, R-Alaska, indicated earlier this week such a wilderness bill would be forthcoming in the present session of Congress. Kish said Young has expressed strong opposition to the proposal.

Wilderness Society attorney Steve Richardson said he had not seen any new wilderness legislation, but said, "There are lots of this sort of thing being circulated about."

Richardson said many Alaskans, particularly in Pelican and Tenakee Springs, asked for more wilderness land designations when members of the House Interior Committee visited them in August.

"Wilderness was suggested by those communities," he said.

"Creation of additional wilderness in Southeast also emerges naturally from regular revisions of Tongass forest land management plans," Richardson said. "It is a legitimate land use legislation," he said. "It's not just cooked up out of the blue."

C.J. Zane, an administrative assistant to Young, said the Alaska congressman plans to meet with Miller to dissuade him from turning the proposal into an officially sponsored bill.

He said Young would fight any such bill "tooth and nail."

Billie Perkins Trent
P.O. Box 021661
Juneau, AK 99802-1661

November 15, 1987

The Honorable Dale Bumpers, Chairman
United States Senate Subcommittee on
 Public Lands, National Parks & Forests
Dirksen Office Building
Washington, D.C. 20510

RE: S. 708, Tongass Timber Reform Act

Dear Senator Bumpers:

Please enter this letter into the hearing record on S. 708, urging passage of the Tongass Timber Reform Act, and thanking those Senators with the vision and the courage to list their names as co-sponsors of this vitally important bill.

Your subcommittee members have already heard from many concerned Alaskans, as well as from citizens of other states, who believe as I do that failure to pass this bill could mean disaster for the Tongass National Forest. I urge you to give credence to the compelling testimony before you. The reforms contained in this bill, and its early passage, are crucial to the continued life of this great forest and the wildlife within it.

Even were it economically sound for the United States to continue to subsidize the Tokyo-based Alaska Pulp Company and LPK, which of course it is not, no amount of profit--neither monetary nor political--can justify the annihilation of America's last and finest old-growth rain forest.

I believe the time is long past for us to finally become responsible stewards of the wildlife and the resources we have left--wildlife and resources that were once so commonplace from coast to coast that we believed they were inexaustible.

The effects of clearcutting are well documented. The unique insanity of the Tongass timber harvest, from a financial, an environmental, and an ethical standpoint, is blatantly obvious. We can only guess what this planet would be like with all of the great rainforests stripped naked and raped for profit and for politics.

Someone has said that he who will not learn from history is doomed to repeat it. I think the stakes have finally gone too high for us to allow that kind of stupidity to continue. We now have a dangerous hole in the sky over Antarctica, dead lakes and dying rivers, acid rain, vanishing wildernesses, vanished species of wildlife, and God knows the list is endless--all products of man's greed, lack of foresight, and lack of integrity. We may not have another chance. We certainly don't have another Tongass.

Thank you for your valuable time and your kind attention. This may be the most important piece of legislation you now have before you. I trust your subcommittee members will give it their full support and do everything within their power and personal integrity to see that no misguided political maneuvers prevent this bill from reaching the Senate floor this session.

Very Sincerely,

Billie Trent

Billie Perkins Trent

cc: Honorable Robert Mrazek
Honorable Frank Murkowski
Honorable Ted Stevens
Honorable Don Young

November 15, 1987

Judy Hall Alaback
11220 N. Douglas
Juneau, AK 99801

Senator Dale Bumpers
Senate Office Building
Washington, D.C. 20510

Dear Senator Bumpers,

Please add the following comments to the hearing record on S. 708, a bill to alter Tongass National Forest management in light of present and possibly future economic conditions.

My familiarity with the Tongass National Forest began in 1979 when I worked for Oregon State University studying the effects of clearcutting on the character of the forests of Southeast: particularly how plants growing on the forest floor were impacted by logging. We studied Southeast forests ranging in age from 3 years following clearcutting to old growth forests. The pattern was so dramatic that by the end of the field season I could walk into any forest stand and tell how old it was and whether the stand originated from clearcutting or natural disturbance such as windthrow.

Forest stands from around thirty years to 150-200 years following clearcutting have little or no plants growing on the forest floor; just mosses and duff (needles and decaying organic matter). Plants common in old growth forests that deer depend on for food such as bunchberry, trailing blackberry, and foamflower do not survive under low-light conditions that characterize stands in this age range.

Since the Forest Service is managing Tongass forests on a 100 year rotation, deer and other wildlife species lose an important part of their habitat--forests high in food plants--for a majority of the rotation period. In mild winters, when snowfall is low, animals can go to young clearcuts (those less than 30 years old) to forage for food. But in hard, snowy winters, wildlife--especially deer--use more energy to navigate clearcuts and dig through the snow to find high-energy forage than they get for their efforts.

Southeast Alaska has had 7 years of mild winters. Deer populations are high. But many scientists are concerned that the inevitable return of severe winters will deleteriously effect wildlife populations especially since many high-volume old growth stands have been heavily cut over the last ten years or so. Scientists are beginning to question whether the character of the forest is forever changed when it is clearcut.

Scientists are also beginning to wonder whether clearcutting high volume old growth forests may be the cause of the poor fishing season we just experienced in Southeast. Streams may be deleteriously effected by the removal of trees which supply thermal cover. Salmon spawning streams especially in southern Southeast which has the greatest numbers of clearcuts, froze during the winter of 1985, killing overwintering salmon eggs. **Current Tongass management practices are protecting logging jobs at the expense of people that make a living harvesting one of the last great fisheries in the U.S.**

Finally, I spent last summer traveling on the State ferry system to many towns of Southeast Alaska researching a plant field guide I am writing. I will depend on tourists when my book is marketed. So do many others here in Alaska.

On ferry trips I had a lot of contact with tourists and they were predominantly disgusted at the amount of clearcutting already apparent along the ferry routes. The ferry route is supposed to be a "scenic corridor", yet clearcuts are becoming more and more common. Tourists were constantly asking me why the trees had been cut. Visitors from Oregon and Washington state knew. Like them I had experienced the clearcutting of those states and did not want the same to happen to Southeast Alaska. People do not visit the Willamette National Forest in the Cascade Mountains of Oregon to see what was once beautiful country since roads and clearcuts now cover vast acreages of forest land not protected as national park or Wilderness.

Tourism and fishing are "renewable resources" so to speak; old growth forests are not. It makes no sense to destroy or adversely impact tourism and fishing which together account for far more jobs than does logging. Intensive clearcutting of Southeast Alaska must be slowed while we study the long-term results of our actions. Members of the Senate, please support S. 708 as a step in the right direction in the management of the Tongass.

Sincerely,

Judy Hall Alaback

Judy Hall Alaback

cc Senator Murkowsky
Senator Stevens
Representative Young

Territorial Sportsmen, Inc.
P. O. Box 761
Juneau, Alaska 99801

LOGGING IN SOUTHEAST ALASKA AND ITS RELATIONSHIP TO WILDLIFE, FISHERIES, AND ECONOMICS

A Report by the
Territorial Sportsmen, Inc.
Juneau, Alaska

February 1985

LOGGING IN SOUTHEAST ALASKA AND ITS RELATIONSHIP TO WILDLIFE, FISHERIES, AND ECONOMICS

Territorial Sportsmen, Inc.
P. O. Box 761
Juneau, Alaska 99802
February 1985

Prepared by

The Wildlife and Fisheries/Logging Committee
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LOGGING IN SOUTHEAST ALASKA AND ITS RELATIONSHIP TO WILDLIFE, FISHERIES, AND ECONOMICS

SUMMARY

The present forest management practice throughout Southeast Alaska of clearcut logging on a rotational basis of generally 100-115 years is permanently converting old-growth, uneven-aged forests with high wildlife values to second-growth, even-aged stands of much less value to those wildlife species dependent on old-growth habitat. Logging may also adversely affect fish spawning and rearing habitat and shell fish esturine habitat, although measures can be taken to minimize impacts. More research is needed to determine long-term effects of timber harvest on fisheries.

Despite the large size of Southeast Alaska's Tongass National Forest (16.9 million acres), only a small portion (4 percent) is considered to have commercially important timber (more than 30,000 board feet per acre). Such commercial timber areas, often near tidewater at low elevations, or along valley bottoms of major river drainages, provide critical habitat for fish and wildlife. It is on this small, but important, component of the Tongass Forest that the wildlife and fisheries/logging debate centers.

As of 1978 an estimated 317,000 acres of Tongass Forest timberland had been logged. Between 1956 and 1981, areas which were logged averaged slightly less than 50,000 board feet per acre (net inventory volume). This logging is believed to have reduced the extent of the highest-volume class (more than 50,000 board feet per acre) on the forest by half. Current plans call for logging half of what is left of this highest-volume class forestwide within the next 40 years.

Clearcutting is the method of logging in Southeast Alaska because it is the most cost efficient and for silvicultural reasons. The planned rotation period for most areas is 100-115 years, i.e., areas will be cut again after 100-115 years. The common pattern is three entries into a drainage system, with second and third entries at about one-third and two-thirds of the 100 to 115-year rotation period. The highest-volume timber is normally cut on the first entry. Revegetation after cutting is natural growth unaided by replanting. After cutting, approximately 300 years are required for forestland to regain old-growth characteristics. Cutting on a rotational basis of approximately 100 years therefore permanently eliminates old-growth forest.

Clearcutting old-growth forest in Southeast Alaska will reduce the carrying capacity of winter range for Sitka blacktailed deer. High-volume, old-growth hemlock-spruce stands are preferred deer habitat during winters of heavy snowfall. Past timber harvest

has concentrated in high-volume stands and future harvest is scheduled to do the same, thereby affecting deer more than acreage figures alone would suggest. Present knowledge suggests that deer numbers in many popular hunting areas will be reduced 60-80 percent by the end of the first rotation period. Deer are hunted more than any other animal in Southeast Alaska, and reduction of carrying capacity will have major impacts on recreational and subsistence hunting. Other wildlife species that could be adversely affected by logging, road-building, and associated activities are brown bear, black bear, mountain goat, moose, marten, mink, river otter, bald eagle, Vancouver Canada goose, and a number of other bird species that overwinter or nest primarily in old-growth forest.

Commercial and recreational fishing are extremely important activities in Southeast Alaska that can be affected by logging. All five species of Pacific salmon, rainbow and cutthroat trout, and Dolly Varden char use freshwater streams for spawning and rearing. Logging can affect spawning and rearing by introducing debris, suspended sediment, and deposited sediment and by changing water temperature, amount of dissolved oxygen, and streamflow. It is especially important that uncut buffer strips be left along streams and that roads be laid out and constructed so as to have minimum impact on streams.

In addition to the impact of clearcutting itself, log dumping and rafting can affect shellfish, i.e., crabs and clams. Bark accumulating on the ocean bottom reduces populations of marine benthic organisms. Water storage of logs results in release of leachates which increases oxygen demand and thereby affects marine organisms. Actual and potential dumping and rafting sites comprise a small portion of the waters of Southeast Alaska, but sites generally are important because of high biological productivity.

Guiding, an important commercial activity in Southeast Alaska, occurs for a number of recreational activities including hunting, fishing, marine cruising, kayaking, rafting, photography, aerial sight-seeing, and ice field traveling. Clearcut areas are not esthetically pleasing for such activities. As more areas are cut, guiding will be concentrated in uncut areas, with the potential to create overcrowding and more human interaction, both undesirable from a guiding and recreational standpoint. Brown bear hunting is one of the most important forms of guiding. Logging has already disturbed enough brown bear areas that guides themselves now believe it necessary to reduce by more than one half the number of persons eligible to guide on Admiralty, Baranof, and Chichagof Islands.

The Alaska Department of Fish and Game has identified 70 drainages in the Tongass Forest with high fish and wildlife values and

Territorial Sportsmen, Inc.
P. O. Box 761
Juneau, Alaska 99801

February 12, 1985

To Whom It May Concern:

This report, Logging in Southeast Alaska and its Relationship to Wildlife, Fisheries, and Economics, by the Territorial Sportsmen, Inc. is the culmination of many man-hours and man-months of intense efforts by members of our organization and cooperating agencies and individuals. The report presents some of the most pertinent information related to the existing controversial fish and wildlife/logging issue in Alaska.

The Territorial Sportsmen, Inc. is one of the oldest, if not the oldest, conservation and sportsmen organization in Alaska. The Territorial Sportsmen is a Juneau based organization which is dedicated to the conservation and wise use of Alaska's resources. Because of its constitutional structure and its purpose, it is primarily concerned with the proper management of Alaska's renewable resources--particularly its fish and wildlife resources. In this arena we feel we have a responsibility to assure our membership and the general public that these resources and the public users are properly represented as public policies and decisions affecting their welfare are developed.

The purpose of this report is to present current information to interested policy makers and the general public. The Territorial Sportsmen have essentially synthesized and summarized pertinent information available from all the agencies and other private sources. We have not provided any new information gathered exclusively by our organization. On the other hand, we have provided independent and collaborated interpretations of the data. Hopefully, this type of presentation can be used to provide a forum for developing positive solutions, for providing support for necessary research, for prompting the resource managing agencies and corporations into affirmative actions, and for assisting the general public in assessing resource trade-off values.

The Board of Directors of the Territorial Sportsmen realize clearly the perceptions that can be associated with the release of a report of this type. This is especially true in light of the growing frictions between the polarized groups forming around the Southeastern logging/environmental issues. Because of these perceptions, we feel it is necessary to clearly state the position of the Territorial Sportsmen. By this process we hope to keep open channels of positive dialogue with all interested parties and hopefully participate in developing positive solutions. For the record, the Board of Directors wish to emphasize that the Territorial Sportsmen:

1. Support logging in Southeast Alaska which is compatible with the maintenance of fish and wildlife values. The intent of this report is not to shut down the logging industry in Southeast Alaska. The intent is to blend fish and wildlife values with the economic values of the industry. It is fair to expect that there will be differences on exactly when, where and how logging will occur. Most importantly, it is our intent to make sure the other resource values are also adequately considered and the public is fully aware of the value trade-offs.

2. Support fish, wildlife and silvicultural research programs. Most task force reports and other related studies point out the need for more information about certain fish and wildlife and their habitat and about silvicultural practices in the southeastern rain forest.

3. Support research to develop enhancement and mitigation measures for fish and wildlife affected by timber harvesting. With improved technology and an expanded data base it is possible that aggressive enhancement or mitigation programs may significantly alleviate some of the value losses associated with the present logging program. Enhancement and mitigation programs that have been demonstrated to be effective should be implemented.

4. Support continued efforts toward population modeling effects of timber harvesting on fish and wildlife populations. At present, it is extremely difficult for the general public to relate to the value trade-offs associated with specific logging proposals, especially when relating these with past activities. Population modeling can be a valuable tool to aid both managers and the general public in understanding the effects, both positive and negative, of different management practices, and relate them to the economics of logging.

5. Support the U.S. Forest Service planning processes. We recognize and support the planning process being implemented by the U.S. Forest Service. Continued emphasis by the Service on public participation has provided a mechanism for input. Since planning is most effective if the public is fully informed and involved, it is our intent to participate positively in that process.

6. Support general recommendations provided in the Technical Committee Report. In July 1982 a multi-organizational Technical Committee was appointed to review the issues relating to wildlife and timber management in Southeast Alaska. A report from this committee was released in 1983. The conclusions and recommendations, although general in nature, are sound and are supported by the Territorial Sportsmen.

7. Support development of fish and wildlife population goals and objectives. The state of the arts associated with conducting some fish and wildlife population censuses within the forested areas of Southeast Alaska is rudimentary at best. Improved fish and wildlife assessment procedures must be developed and tied to habitat requirements for each species. We recognize that until these procedures are fully developed, other less precise modeling and assessment techniques will have to be utilized to establish and evaluate species population goals. Eventually, these goals and objectives must come from an informed general public.

Since it is the goal of the Territorial Sportsmen to provide the most accurate information possible, it is anticipated that this report will be up-dated. Certainly, any errors will be corrected and new information included when appropriate.

The Territorial Sportsmen are committed to continue working closely with the various task forces, committees and resource managing agencies concerned with the fish-wildlife/logging issues. It is anticipated that specific recommendations will be developed to accompany this report. Others will be prepared and submitted through each stage of the planning and review process now in place for management of the Tongass Forest.

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or

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Approved by the Territorial Sportsmen, Inc. Board of Directors on December 11, 1984.

Sincerely,

Ronald Somerville J.L.

Ronald Somerville, President
Territorial Sportsmen, Inc.

recommended deferral of logging and road building until the Tongass Land Management Plan is revised in 1989. In spite of this recommendation, road building has been carried out in some of these critical habitat drainages. Forest Service representatives state that the Forest Service will analyze these recommended deferrals during preparation of the Tongass Land Management Plan Update to be completed by April 1, 1985.

Federal legislation generally provides for adequate protection for fish and wildlife on national forests. However, the managing agency, the U.S. Forest Service, has much discretion in determining management emphasis and how different values of the forest will be utilized. In Southeast Alaska the emphasis is on timber management. The Alaska Lands Act makes 4.5 billion board feet of Tongass Forest timber available to industry per decade. Recent findings suggest this level of timber harvest, if sustained, will have severe long-term impacts on wildlife and thereby on recreational and subsistence use. The Alaska Lands Act also states that utilization of public lands is to cause the least adverse impact possible on subsistence users.

Native corporations and the State of Alaska each manage approximately 3 percent of the land in Southeast Alaska. Fish and wildlife managers would like State laws and regulations strengthened to better protect fish and wildlife on these private and state lands.

The timber industry in Southeast Alaska has been dominated since the 1950s by two major companies which have long-term contracts for timber from the Tongass Forest. The timber industry is highly subsidized by the Federal government. Most forest products from the Tongass are sold overseas. The National Forest Management Act calls for revision of long-term contracts to make them consistent with guidelines and standards of the Act. Violations of the Sherman Antitrust Act, providing false information to the government in violation of contracts, and defrauding the government of more than 75 million dollars by the two long-term contract holders are other reasons for considering contract revisions.

TABLE OF CONTENTS

Page

INTRODUCTION 6

TONGASS NATIONAL FOREST 8

- Land Types 8
- Logging 9
- Management Guidelines 15

STATE OF ALASKA FORESTLAND 22

PRIVATE FORESTLAND 23

WILDLIFE 25

- Deer 25
- Brown Bear 26
- Black Bear 28
- Mountain Goat 29
- Moose 29
- Wolf 30
- Furbearers 30
- Bald Eagle 31
- Canada Goose 31
- Marbled Murrelet 32
- Other Birds 32

FISHERIES 33

- Finfish (salmon, trout, etc.) 33
- Shellfish (crabs, clams, etc.) 39
- Economic Contribution 40

GUIDING 40

ECONOMICS OF TONGASS FOREST LOGGING 42

- The Economic Beneficiaries of Logging in Southeast Alaska 43
- Timber Sales and Pricing 43
- Further Reductions of Timber Prices 44
- Economic Disadvantages Placed on Small Timber Operations 45
- Weaknesses of the Current Pricing System 45
- Antitrust Violations 46
- Forest Service Review Team Recommendations 48

TABLE OF CONTENTS
(Continued)

Page

ECONOMICS OF TONGASS FOREST LOGGING (continued)

Justice Department Actions 50
Timber Supply and Demand Report 50

CONCLUSION 53

LITERATURE CITED 55

LOGGING IN SOUTHEAST ALASKA AND ITS RELATIONSHIP TO WILDLIFE, FISHERIES, AND ECONOMICS

INTRODUCTION

The Territorial Sportsmen of Juneau, Alaska, wish to become involved in programs and decisions affecting management of lands in Southeast Alaska. Of particular interest is the relationship of logging to fish and wildlife populations and habitat. This report has been prepared so that the members of the Territorial Sportsmen can be better informed. The report will also be used to inform others and to provide information and guidelines for the Territorial Sportsmen to evaluate and make recommendations on timber management plans and activities.

A committee composed of Greg Cook, Ed Gustafson, Christian Knoeller, Jack Lentfer, Max Lewis, Sid Morgan, and Don Schmiege was named to prepare the report. The committee asked certain outside specialists to assist with report preparation. Committee members and others and the portions of the report they have been involved with include: Tongass Forest land types--Matt Kirchhoff; Tongass Forest logging--Matt Kirchoff; Tongass Forest management guidelines--Greg Cook and Jack Lentfer; State of Alaska forest-land--Jack Lentfer and Greg Cook; wildlife--John Schoen and Matt Kirchhoff; fisheries--Greg Thomason and Steve Elliott; guiding--Vern Beier; economics of Tongass Forest logging--Jack Lentfer, Mark Kirchhoff, and Christian Knoeller. Jack Lentfer was responsible for the final synthesis and Christian Knoeller for technical editing.

Draft copies of this report with requests for comments were sent to the U.S. Forest Service, the Alaska Department of Fish and Game, the Alaska Department of Natural Resources, and Sealaska Native Regional Corporation. Draft copies were also sent to representatives of the two major Southeast Alaska timber companies, Louisiana Pacific-Ketchikan and Alaska Lumber and Pulp, along with invitations to comment at a meeting of the Board of Directors of the Territorial Sportsmen. Responses were received from the Forest Service and Alaska Departments of Natural Resources and Fish and Game, and the report was modified to reflect comments which would improve accuracy and comprehensiveness.

The Board of Directors of the Territorial Sportsmen adopted the report in December 1984.

Major land managers in Southeast Alaska are the U.S. Forest Service, the National Park Service, Native corporations, and the State of Alaska. National Park Service lands cannot be logged, and discussion of their management will not be included in this report. The U.S. Forest Service, with 94 percent of the land in Southeast Alaska exclusive of Park Service land, is by far the largest land manager (Table 1).

Table 1. Land management in Southeast Alaska, exclusive of Glacier Bay National Park and Preserve.

	Acres	Percent
U.S. Forest Service	16,900,000	93.8
State of Alaska	482,000	2.7
Native Corporations	630,000[1/]	3.5

[1/] Native corporations are still selecting land, and this figure is the amount which will be owned after final selection.

TONGASS NATIONAL FOREST

Land Types

A diverse array of land forms and forest types comprise the 16.9 million acre Tongass National Forest. The following information is from the Tongass land type inventory in the Tongass Land Management Plan (U.S. Forest Service 1979). Nearly 40 percent of the Tongass Forest is not forested, but is composed of treeless alpine meadows, muskegs, rock, and glacial ice. An additional 29 percent of the Tongass Forest is classified as "noncommercial forestland," defined as forestland having less than 8,000 board feet of lumber per acre (Harris and Farr 1974:14). Noncommercial forestland is also defined as land not capable of producing 20 cubic feet of growth per acre per year (M.A. Barton, Regional Forester, Tongass National Forest, pers. comm. 8/20/84).

Included in noncommercial forestland are poorly drained sites, borders of muskegs, and subalpine areas where tree growth is sparse or stunted. Western and mountain hemlock, red and yellow cedar, and lodgepole pine dominate these relatively unproductive sites. The remainder of the Tongass, roughly one-third, is considered as "commercial quality forestland," capable of producing from 8,000 to over 100,000 board feet of lumber per acre.

As this volume-per-acre range suggests, a great variety of forest types occur within commercial forestland and represent ecologically distinct habitats having different values to different wildlife species at different times of the year. For inventory purposes, commercial forestland is classified into four categories based on the stand timber volume. The first category includes stands having 8,000-20,000 board feet per acre. These "low-volume" areas are relatively open, sometimes brushy, and often found on wet, poorly drained sites. Low-volume stands are common on the Tongass, accounting for half of all commercial forestland.

Medium-volume stands (20,000-30,000 board feet per acre) are characterized by larger, more densely stocked trees, and comprise about 36 percent of the total commercial forestland on the Tongass.

Higher-volume stands, by comparison, are rare. The 30,000-50,000 board-foot-per-acre category accounts for 12 percent of the commercial forestland, and the highest-volume stands, those with more than 50,000 board feet per acre, account for 2 percent of the commercial forestland on the Tongass (Figure 1). These higher-volume stands, referred to as "commercially important forestland" in a report co-authored by the Forest Service (Smith et al. 1983), contain the most valuable trees in the forest.

Such stands are typically found along toe slopes of hillsides, bordering major stream or river systems, or on flat benches along the beach; they are normally associated with deep, well drained, mineral soils. Like all old growth, these stands include trees of all ages and sizes; however, dominant trees may exceed 200 feet in height, 8 feet in diameter, and 800 years in age. A single tree that size yields more board feet than an entire acre of low-volume forestland.

Despite the seemingly boundless expanse of land on the Tongass, most is either non-forested, noncommercial forest, or low-volume forest. Only a little more than 4 percent of the total land base is high-volume important forestland (more than 30,000 board feet per acre), and less than 1 percent of the total land base is in the highest volume class containing more than 50,000 board feet per acre (U.S. Forest Service 1979).

Logging

The Tongass National Forest has a long history of industrial logging, dating back to 1833 when the first Alaskan sawmill was built at Redoubt Bay near Sitka (Harris et al. 1974). Most early logging was selective, with cutting concentrated on large, high quality, individual trees. Use of local timber gradually increased during the early 1900s as canneries and towns were built. Altogether during the decade 1910 to 1920, 420 million board feet of saw timber and piling were cut on national forest lands in Alaska. By 1923, six sawmills were cutting lumber in large quantities for local use and export. Logs for these mills came from trees up to 225 feet tall and 8 feet in diameter, growing in stands of pure spruce (Heintzlman 1923). By 1930, most of the premium stands of timber easily reached from protected shores had been logged, and increasing emphasis was being placed on developing a pulpwood industry to utilize the smaller timber.

With the award of an 8.25 billion board foot timber sale in 1951 to Ketchikan Pulp Company of Ketchikan, a 693 million board foot sale to Alaska Wood Products Company in Wrangell (affiliated with Alaska Pulp Company in Tokyo), and a 5.25 billion board foot sale in 1957 to Alaska Lumber and Pulp Company in Sitka, large scale industrial logging had finally arrived in Southeast Alaska (Harris et al. 1974). In an effort to encourage establishment of a stable, regional economy, the Forest Service granted these companies 50-year cutting rights. (Board feet are commonly used as the measure of timber to be cut under terms of the long-term contracts. Deputy Regional Forester M.A. Barton in a letter dated July 20, 1984, states that cubic feet, not board feet, were used in these contracts.)

For 25 years, prior to final approval of the Tongass Land Management Plan in 1979, loggers operated in a much less regulated environment than they find themselves in today. Forestland offering the greatest return on investment, usually the lower elevation, high-volume sites, were logged first. Clearcuts were large and wood utilization standards lax. High-volume stands of timber located near protected coastlines or along broad valley bottoms were highly prized and actively sought by the timber industry. From 1956 through 1972 the average volume removed from inventory by cutting was in excess of 50,000 board feet per acre (Scribner inventory volume, Hutchison and LaBau 1975). From 1972 through 1981 the inventory volume removed by cutting averaged over 48,000 board feet per acre (J. Standerwick, Timber Staff Officer, Tongass National Forest, pers. comm. 4/15/83). These statistics take on even greater significance when the rarity of high volume stands is considered (Figure 1).

The Tongass Land Management Plan (TLMP), finalized in 1979, allocated individual drainages of the Tongass Forest to one of four land use designations, or LUDs. LUDs I and II are wilderness and roadless areas where commercial logging may not occur. LUD III lands are for multiple use including logging. LUD IV lands are for intensive resource use and development with emphasis on commodity or market resources; logging is the most concentrated here. Table 2 summarizes the TLMP allocation of commercial forestland among LUDs and by volume classes. It is evident that the drainages with the highest volume classes were generally allocated for commodity resource development. LUDs III and IV, where logging may occur, contain more than twice as many acres of the two highest volume classes (more than 30,000 board feet per acre) as LUDs I and II where logging does not occur. LUDs III and IV contain about six times more of the highest volume class (more than 50,000 board feet per acre) than LUDs I and II.

Today, over 317,000 acres (6.3 percent of commercial forestland) in the Tongass have been cut and are in a regenerative status. (Unpublished data on file, U.S.F.S., Regional Office, Timber Management, Juneau.) From 1980 to 1989, U.S. Forest Service plans call for an average of 17,100 acres to be cut annually on the Tongass (Smith et al. 1983). The number of acres cut will increase to approximately 22,000 acres per year late in the 100-115 year rotation period as increasing emphasis is placed on harvesting in low-volume stands. Although the rotation period for most cutting areas is 100-115 years, 244,000 acres are scheduled for cutting over a 120-200 year extended rotation for visual management and other resource needs.

The Forest Service has no record of the number of acres of high-volume timber logged to date. A conservative estimate that one-third of the acres cut to date were in the highest volume class leads to the conclusion that we are left today with less than half of the original high-volume forestland (50,000 board feet per acre and above) that existed prior to the start of large scale industrial logging in Southeast Alaska.

TONGASS NATIONAL FOREST LAND TYPES

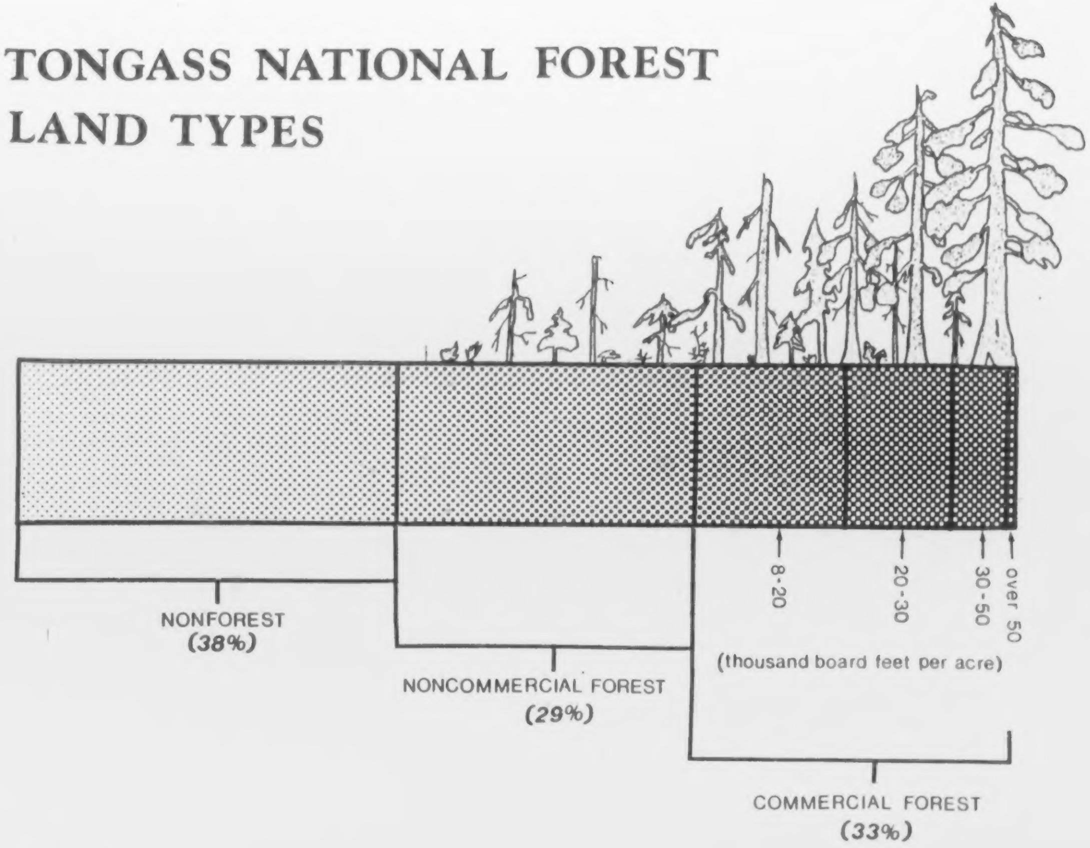

Figure 1.

Table 2. Tongass National Forest commercial forestland acreage by land use designation and volume class.[1]

Volume Class (thousand bd.ft./A)	I		II		III		IV	
	Acres	%	Acres	%	Acres	%	Acres	%
Already logged	37,981	2.6	31,187	7.9	82,253	7.4	166,769	8.4
8-20	719,442	49.3	248,496	52.6	529,124	47.3	862,197	45.2
20-30	528,403	36.2	151,577	32.1	365,375	32.7	673,675	33.7
30-50	162,765	11.2	30,736	6.5	119,902	10.7	233,249	11.7
More than 50	10,842	0.7	3,552	0.8	21,697	1.9	61,836	3.1

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[1] From data on file, U.S. Forest Service, Regional Office, Juneau, 1980.

The Tongass Land Management Plan will cause the timber industry to operate increasingly in lower-volume stands. This reflects increased emphasis on resource protection (e.g., retention of valuable high-volume wildlife habitat and wilderness areas) and the present rarity of remaining high-volume stands. In the short term, however, economic realities dictate that high-volume stands will continue to be heavily harvested. Within the next 40 years, less than half of the total high-volume forest (50,000 board feet per acre) standing today in the Tongass will remain. (Unpublished data on file, U.S.F.S. Regional Office, Timber Management, Juneau, and Figure 2.)

In order to plan on sources of timber for cutting throughout the first rotation period, generally 100-115 years, the Forest Service has scheduled the amount of cutting within management units (value comparison units or VCUs) throughout the forest. A number of VCUs on the mainland in the vicinity of Juneau, on northern Admiralty Island, and on western Chichagof Island are listed to give examples of what has been cut and is scheduled for cutting during the first rotation period (Table 3). Deer habitat will be altered significantly, and an estimate of the percentage of deer remaining in each VCU after the first rotation period is also included in Table 3.

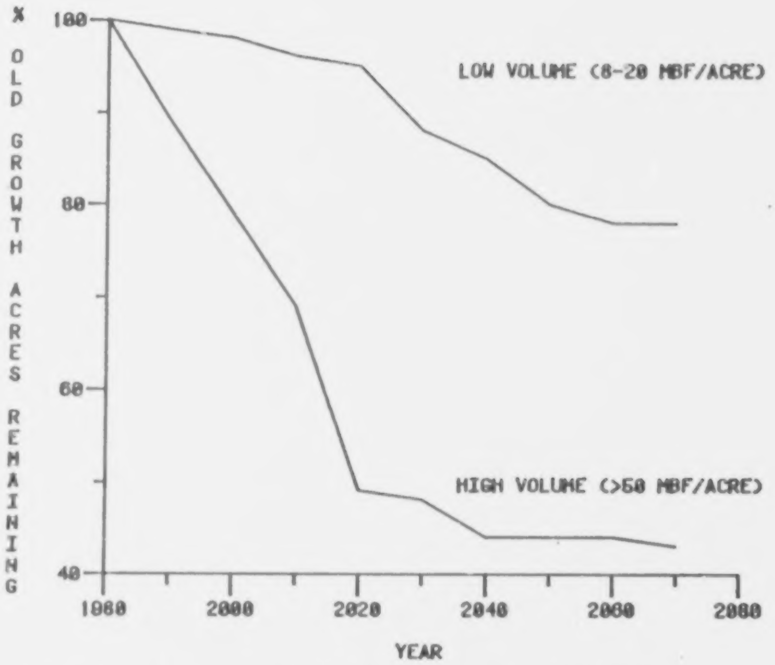

Figure 2. OLD GROWTH DEPLETION SCHEDULED 1980-2080

Table 3. Percentages of total commercial forestland (more than 8,000 board feet per acre) which have been cut and are scheduled for cutting during the first rotation period (generally 100-115 years) and percent deer remaining after first rotation period on selected VCUs in Southeast Alaska.[1]

VCU	Percent CFL Already Harvested	Percent CFL Scheduled For Harvest	Percent Deer Remaining After 100-115 Years
Echo Cove	0.0	43.5	30.7
Taku Harbor	1.1	50.1	35.3
Gilbert Bay	0.0	56.7	41.4
Windham Bay	0.0	68.6	41.9
Hobart Bay	0.0	75.8	28.3
Port Houghton	0.0	93.7	25.6
William Henry Bay	0.0	49.6	77.2
Barlow Cove	2.0	48.3	59.7
Funter Bay	0.0	50.2	38.2
Hawk Inlet	5.1	78.6	12.4
Lone Mountain	0.0	61.9	26.1
Fowler Creek	1.7	76.0	11.9
Young Bay	0.0	48.4	37.3
Eagle Peak	0.0	60.5	23.1
False Bay	0.0	83.3	15.9
Kennel Creek	4.7	63.6	16.1
Pavlof River	4.4	73.4	21.9
Tenakee Springs	2.4	66.7	17.5
Crab Bay	5.9	67.0	31.7
Kadashan	1.1	64.1	23.8
Corner Bay	21.9	66.7	22.0
Sitkoh Bay	11.3	70.0	24.2

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[1] From Rideout, et al. 1984 and Schoen et al. 1985.

Aside from the demonstrated value of high-volume timber stands for deer in winter (see discussion elsewhere in this report and literature cited), these rare stands have value as ecological communities in their own right. The esthetic value of a grove of 200-foot spruce trees, centuries in the making, cannot be easily weighed against the value of the trees as lumber or pulp. While a relatively small percentage of the Tongass Forest overall will be changed by logging, under present plans, an already relatively rare forest type, high-volume old growth, will be reduced even further.

Management Guidelines

A number of laws pertain to resource management for federal and state public lands. Those most important for Southeast Alaska are summarized here. Cook (1984) provides a more detailed description of laws and their interpretation.

The Multiple Use-Sustained Yield Act of 1960 requires that National Forests be administered on a sustained-yield basis for outdoor recreation, range, timber, watershed, and wildlife and fish purposes. Several court decisions relating to the Multiple-Use Sustained Yield Act have resulted in the interpretation that the Forest Service has almost unlimited discretion in determining how much emphasis each of these multiple use values will receive (Cook 1984). In actual practice, the emphasis in Southeast Alaska has always been on timber.

The Alaska Native Claims Settlement Act of 1971 authorizes Southeast Alaska Native corporations to select land in the Tongass National Forest for private ownership. When selection is complete the regional corporation, Sealaska, and 12 village corporations will own an estimated 630,000 acres.

The Coastal Zone Management Act of 1972 requires that private landowners as well as state and federal agencies undertaking development projects in the coastal zone of a state ensure that they meet applicable provisions of the state's approved coastal management program.

The National Forest Management Act of 1976 (NFMA) comes closer than any other federal law to providing explicit and enforceable standards relating to fish and wildlife habitat protection on National Forest lands. The Act requires that management activities be done in a manner that provides for diversity of plant and animal communities. NFMA requires that if clearcutting occurs, it must be carried out in a manner consistent with the protection of soil, watershed, fish, wildlife, recreation, and esthetic resources, and the regeneration of the timber resource. NFMA directs the Secretary of Agriculture to revise the 50-year timber sales contracts in Alaska to make them consistent with the guidelines and standards provided by the Act.

Legislative history of the NFMA provides more insight on the intent of Congress. The Senate Report states that timber production and sale are important, but not the sole objective of management planning, and that the other resources of the forests, including wildlife and fish habitat, water, air, esthetics, and wilderness, must be improved and protected. The Senate Committee also believed widespread cutting of mature trees to be incompatible with management of the national forests, where decisions must be based on the numerous public values of the forest, in addition to economic returns. The Committee was concerned that significant damage was still occurring to fish and wildlife habitat, particularly in Alaska. They thought the Forest Service should make greater use of the expertise of state fish and wildlife agencies, the Fish and Wildlife Service, and the National Marine Fisheries Service.

The committee report on NFMA stated that clearcutting and other harvest systems resulting in even-aged stands had greater adverse ecological impact than uneven-aged management. The decision to use even-aged management systems should not be based solely on economic benefits, i.e., dollar return. Rather, the committee wrote that the full scope of environmental effects (natural, economic, and social) should be evaluated and even-aged systems used only when they best meet forest management objectives for the individual management plan.

Regulations implementing the NFMA were adopted by the U.S. Forest Service in 1979 and significantly amended in 1982. One summary commented that the regulations abound with phrases and adverbs designed to provide escape hatches from otherwise strict requirements (Coggins and Ward 1981). The definition of multiple use does call for harmonious and coordinated management of the various resources without impairment of the productivity of the land. Sustained yield is defined in the regulations as "the achievement and maintenance in perpetuity of a high level annual or regular periodic output of the various renewable resources of the National Forest System without impairing land productivity."

The NFMA regulations require a detailed approach to resource management planning. A key aspect is the interdisciplinary team (IDT), which integrates biological, physical, economic, and social science disciplines. After public participation in the process, the IDT drafts management plans which identify and recommend alternatives for achieving management objectives. The Regional Forester has final authority for selection of a management plan.

NFMA regulations state that fish and wildlife shall be managed to maintain viable populations of existing native vertebrate species. For planning purposes, a viable population is defined as one which has the estimated numbers and distribution of reproductive individuals to ensure that it will continue to exist and be well distributed in the planning area. In order to ensure that viable populations will be maintained, habitat must be provided to support at least a minimum number of reproductive individuals, and that habitat must be well distributed so that those individuals can interact with others in the planning area.

Regulations also require selection of management indicator species chosen so that population changes of indicator species will indicate effects of management activities. The management indicator species categories should contain animals that are commonly hunted, fished, and trapped. The IDT is directed to estimate the effects of changes in vegetation type, timber age classes, community composition, rotation age, and year-long suitability of habitat related to mobility of management indicator species. Where appropriate, the IDT recommends measures to mitigate adverse effects. Population trends of the management indicator species are monitored and relationships to habitat changes determined by the IDT. This monitoring is done to whatever extent possible in cooperation with state fish and wildlife agencies.

Another NFMA regulation requires that planning alternatives be stated and evaluated in terms of the amount and quality of habitat as well as animal population trends of the management indicator species.

NFMA also requires forestland management plans. This resulted in the Tongass Land Management Plan (TLMP) for Southeast Alaska. TLMP is a 10-year allocation plan whereby various portions of the forest are to be managed to achieve a set of goals and objectives. The forest was divided by drainages into value comparison units (VCUs) which were allocated to four major land use designations (LUDs). LUDs I and II, where timber harvesting is not permitted, contain approximately 8.1 million acres, of which 2.1 million acres are classified as commercial forestland. LUDs III and IV, where cutting will occur, contain about 6.9 million acres, of which 3.1 million acres are commercial forestland. In general, except for portions of Admiralty Island, areas with the highest value timber lands are classified as LUDs III and IV. Many of the high value LUD III and IV timber areas also have high wildlife values.

In the preparation of TLMP, fisheries and wildlife task forces were established to rate VCUs for fisheries and wildlife values. A shortcoming of the wildlife rating system recognized by some task force members was that one criterion, the number of species in an area, was weighted too heavily and that importance of individual species was not given enough consideration (Bob Wood, ADF&G, pers. comm.). The Wildlife Task Force also recommended retention figures, or the amount of timber that it considered an absolute minimum to be left uncut for wildlife. As an example, for deer the Wildlife Task Force recommended that 50 percent of existing old-growth commercial forestland be retained as intermediate range and that 90 percent of beach fringe commercial forestland be retained as critical range (U.S. Forest Service 1978). The Wildlife Task Force also stated, ". . .that, if the Task Force's retention factors are reasonably valid, there will be a continuing trend toward lowering wildlife habitat quality in areas where logging and other similar developments take place."

Task force recommendations went to an interdisciplinary team (IDT) which then drafted TLMP. The Alaska Department of Fish and Game wildlife specialist on the IDT was not in agreement with the IDT recommended alternative because too much timber would be removed, thereby impacting wildlife habitat too severely. Even so, the IDT recommended alternative did contain retention factors, or areas to be left uncut for wildlife and related values. These were reduced by the Alaska Regional Forester in the version of TLMP that was finally adopted. TLMP provides for an average annual allowable harvest of not less than 450 million board feet of timber or 17,000-18,000 acres a year. This is based on the industry's scaled volume and is equivalent to approximately 550 million board feet inventory volume.

The Alaska Department of Fish and Game commented on TLMP when it was in draft form (R. O. Skoog, Commissioner, ADF&G, Memorandum, 8/4/78). One concern of the Department was that wildlife habitat ratings on which TLMP is based often did not reflect true values. Ratings were based primarily on the number of species present rather than the importance of individual species or the value of areas to users. This resulted in some islands with relatively few species but with high wildlife values receiving lower wildlife ratings than mainland areas of less wildlife value that were rated high because they had more species.

Another Department of Fish and Game comment on TLMP (R. O. Skoog, Commissioner, ADF&G, Memorandum 8/4/78) was that the economics of timber harvest as it affects guiding, trapping, and viewing of wildlife should be analyzed along with the economics related to timber industry jobs. To attain a balanced resource allocation, the Department of Fish and Game recommended that a certain alternative (D) or another modified alternative (C) be adopted for the final version of TLMP. Alternative (C) was similar to the alternative recommended by the IDT that prepared TLMP. Both alternatives were rejected for the final TLMP, and a more intensive timber harvest plan was adopted.

Since TLMP was adopted, the Alaska Department of Fish and Game has identified 70 Class 1 VCUs, mainly in LUDs III and IV, that have high fish and wildlife values, and requested that road building and cutting be deferred until TLMP is revised in 1989 (Matthews and McKnight 1982). This is based not only on the yet unanswered questions concerning the effects of logging on fish populations and all old-growth-dependent wildlife but also on the already well documented effects of timber harvest on certain old-growth-dependent wildlife species (D. Kelso, Deputy Commissioner, ADF&G, pers. comm. 7/19/84). This State recommendation has not been accepted by the U.S. Forest Service, and roads have been built in Blind Slough and Kadashan, both Class 1 VCUs. A Forest Service representative states that Department of Fish and Game recommendations will be considered for the Tongass Land Management Plan Update scheduled for completion by April 1, 1985.

TLMP was adopted in March 1979 for a 10-year period. After 5 years, the Forest Service has prepared an Evaluation Report (U.S. Forest Service 1984) to provide a basis for updating and improving TLMP, aid in preparing a Tongass Forest status report for Congress as required by the Alaska National Interest Lands Conservation Act, and document how original TLMP management direction has been implemented to date. The report may also provide insight about what should be addressed when TLMP is revised in 1989.

The Alaska Chapter of the Wildlife Society requested revisions in the 1981-86 Timber Sale Operating Plan prepared under TLMP guidelines (Mickelson 1980). One of the reasons for requesting a revision was that the timber sale was not in compliance with plant and animal diversity requirements of NFMA. The Forest Service rejected the Wildlife Society's appeal even though the Forest Service did agree that diversity is not reviewed in TLMP with the specificity required by the NFMA current regulations and requires improvement (Peterson 1980, p. 9).

NFMA regulations were adopted in March 1979, 6 months after TLMP was adopted. Lack of NFMA regulations may be considered by some as justification for TLMP not being consistent with NFMA. Nonetheless, the intent of the NFMA statute is clear, and it would seem reasonable that TLMP conform to this intent. Also, it would seem that NFMA draft regulations could have served as guidelines for TLMP. The TLMP revision scheduled for 1989 is intended to remedy discrepancies between TLMP and NFMA (M.A. Barton, Tongass National Forest Regional Forester, pers. comm. 8/20/84).

The Alaska Regional Guide is a policy document also required by NFMA, and was adopted in December 1983. It encompasses the guidelines previously in the Southeast Area Guide. One of the guidelines addresses desirable levels of wildlife. The Regional Guide states "Desirable levels of wildlife will be determined primarily by the Alaska Department of Fish And Game, and wildlife habitat will be determined primarily by the Forest Service . . ." Hoopes (1982) states that "The Alaska Department of Fish and Game policy on 'desired' levels is clear: maintenance of maximum numbers of fish and wildlife that can be supported by the existing habitat in an ecologically sound manner." Hoopes (1982) further discusses desired levels and states, "Selected levels will reflect public demand for the resource, but which segment of the public is to be considered? As a National resource, levels should reflect the demands of people nationwide, not just local or regional users. Public demand for wildlife is not static and will quite probably increase in the future. Public demand includes both consumptive and nonconsumptive uses of wildlife. While consumptive use can be quantified, how will nonconsumptive uses be evaluated? Wildlife use is not readily translated into demand or desired levels. What levels are desirable to ensure a reasonable opportunity exists to view or harvest wildlife? To most users, not enough wildlife exists even now."

Another statute that affects forest management in Southeast Alaska is the Alaska National Interest Lands Conservation Act of 1980 (ANILCA). This Act makes $40 million available to the Secretary of Agriculture annually, or as much as the Secretary finds is necessary, to maintain the timber supply from the Tongass National Forest to dependent industry at a rate of 4.5 billion board feet per decade. It is important to note that ANILCA does not mandate an actual harvest of this amount of timber, but that the Forest Service must make the timber available to industry. If stands are not economically attractive, and industry chooses not to harvest them, that situation would not violate the law so long as the Forest Service had made reasonable efforts to make the timber available.

Statements of Congressional intent amplify on these points. Representative Udall (Congressional Record 11/12/80, p. 10542) made the following statements. "In keeping with existing National Forest Act provisions, this [Section 705] is not a mandate to produce a specific cut level regardless of the findings of future land use plans, demand for National Forest timber, or the cost to the taxpayer. . . No more national forest timber should be supplied than can be sold at fair market value."

Representative Udall also addressed the purpose of the $40 million appropriation. He stated it is the intent of Congress "to maximize protection to environmentally sensitive areas, particularly those with high fish and wildlife values." He also stated "Our intent is to encourage retention of old-growth forests for multiple use considerations rather than reduce old-growth retention in order to lower costs. The funding provided by Section 705 is to enable the Forest Service to adhere to the land use allocations of the [Tongass Land Management] plan and in the process, to protect the non-economic values embodied in the plan."

Another provision of ANILCA requires that the Secretary of Agriculture report to Congress every 2 years, beginning in 1985, on a variety of issues, including measures instituted by the Forest Service to protect fish and wildlife.

The subsistence provisions of ANILCA also affect management of the Tongass Forest. ANILCA states that utilization of public lands in Alaska is to cause the least adverse impact possible on rural residents who depend on subsistence uses of such lands. Before making resource use decisions, the head of the responsible federal agency must evaluate the effect of the decision on subsistence uses and needs, and consider using other lands and alternatives. He must also determine that reasonable steps will be taken to minimize adverse impacts on subsistence resources and uses caused by such resource use decisions. Judicial enforcement of the subsistence priority is provided for in ANILCA, with an expedited hearing in federal District Court as the forum.

The $40 million annual appropriation authorized by ANILCA may not necessarily have to be spent directly on timber production and possibly could be spent on wildlife and fisheries projects. The Office of General Counsel, Department of Agriculture (C. W. Brizee, 1/30/81), states that a request for such funds for a program not related to timber production is defensible if the Secretary can justify the program to sustain the desired timber harvest level.

The Forest Service's own administrative manual also influences Tongass Forest management. Many day-to-day policies, including those affecting fish and wildlife, are found in the U.S. Forest Service Manual. The manual states that where other resource activities or uses are proposed that affect fish or wildlife habitat objectives, habitat shall be examined, multi-resource prescriptions prepared, and the consequences of alternatives evaluated and displayed. Where opportunity exists to improve the capability for fish and wildlife, it should be included in the multi-resource prescription.

The Forest Service has recently initiated a second-growth management program and states, "Although this program is just being implemented and it will be many years before the effectiveness of some of the wildlife treatments can be completely evaluated, this program constitutes a significant effort by the Forest Service to address concerns associated with second-growth. . ." (M.A. Barton, Regional Forester, Tongass National Forest, pers. comm. 8/20/84).

The major treatment for wildlife in the second-growth management program is thinning of second-growth stands. Alaback and Tappeiner (1984) studied response of understory vegetation to thinning in Southeast Alaska. Looking at a range of stand ages, site classes, and thinning regimes, they found that "(after thinning) herbs and mosses decreased their relative contribution to understory biomass, and in many cases actually decreased productivity. . . Understory shrubs and herbs on precommercially thinned stands (20-30 years old) were the least responsive to thinning. On most plots, tree seedlings increased productivity at the expense of herbs and shrubs . . . Although the understory biomass accumulation of some stands following thinning was highly significant, it was less than that measured in several old-growth stands . . . Several measurements at 5-10 year intervals will be necessary to assess how understory vegetation will change in response to thinning over the course of a complete timber rotation . . . The short-term results of thinning experiments suggests that thinning may have some potential for increasing the overall productivity of understory vegetation in second-growth stands in Southeast Alaska. How significant thinning may be to improving deer winter range will depend on how quickly forest overstory canopies close after thinning, what influence a secondary _Tsuga_ canopy created by heavy thinning will have on the understory, and the nutritional requirements of deer and other wildlife."

STATE OF ALASKA FORESTLAND

The State of Alaska owns approximately 482,000 acres in Southeast Alaska, of which about 400,000 acres are in the Haines-Skagway area. Nearly all state forestlands are in the Haines area and comprise 229,000 acres, of which 94,000 are timbered. Inoperable logging conditions and land classifications which preclude logging reduce the amount of operable forest land to 59,000 acres.

An estimated 12,000 acres have been logged to date in the Haines area, and the current cutting rate is 200-500 acres per year. The total uncut commercial old-growth forest in the Haines area is estimated to be over 67,000 acres; the estimate of old-growth forest remaining at the end of 100 years is 32,000 acres.

The following discussion on management guidelines for state lands is from Cook (1984). Natural resource management, including forest management, has a basis in the Alaska constitution, which states that forests and other replenishable resources shall be utilized, developed, and maintained on the sustained-yield basis, subject to preference among beneficial uses.

Alaska's constitution also states that wherever occurring in the natural state, fish and wildlife and waters are reserved to the people for common use. This and various court decisions argue for a public trust doctrine applying to fisheries and wildlife. On this basis, the State would be obligated to provide protection to fisheries and wildlife relative to logging and other activities with the potential for harming them.

Two statutes can also be interpreted to impose trust responsibilities on the State. The Land Policy Act mandates that resource requirements of future generations shall be considered and requires the Commissioner of the Department of Natural Resources to consider present and potential resource users.

The Alaska Forest Resources and Practices Act requires that renewable forest resources be administered to best provide for present needs and preserve future options of the people of Alaska. Renewable forest resources include, of course, fish and wildlife. The Forest Practices Act gives guidelines for managing forest resources on state lands. These include multiple-use and sustained-yield principles. Activities causing prolonged or substantial damage to renewable resources or the capability of the land or water to produce renewable resources are prohibited. The Act is administered by the Department of Natural Resources. A 14-member Board of Forestry appointed by the governor reviews regulations before they are adopted by the Commissioner of the Department of Natural Resources.

The adequacy of protection of non-timber resources provided by the Forest Practices Act was addressed in a recent survey by the State Division of Forestry (Table 4). This would indicate that the Act is not as protective of fish and wildlife as desirable.

PRIVATE FORESTLAND

Nearly all privately-owned forestland in Southeast Alaska has or will be selected by Native corporations from the Tongass National Forest under provisions of the Alaska Native Claims Settlement Act of 1971 (ANCSA). The Native regional corporation, Sealaska, and the 12 village corporations have thus far selected about 575,000 acres. When selection is complete, they will own an estimated 630,000 acres (330,000 acres by Sealaska and 300,000 acres by village corporations). A primary use of the lands will be timber harvest from an estimated base of 11-14 billion board feet of timber. Through July 1, 1981, Sealaska had selected approximately 195,000 acres, of which 74 percent is commercial forestland, 11 percent is noncommercial forest, and 14 percent is non-forestland (Sealaska 1982). Native corporations have logged about 61,000 acres to date, and intend to log 13,300 acres in 1984 (J. Sturgeon, State Forester, pers. comm. 3/22/84).

While provisions had originally been made legislatively to regulate management of private timberlands, those mandates have not been carried out and have since expired. Section 22-k of ANCSA states that lands selected by Native Corporations from the Tongass Forest shall be managed for 12 years on a sustained-yield and environmentally sound basis no less stringent than similar management provisions for adjacent National Forest lands. This provision, highly desirable from a wildlife and fisheries habitat protection standpoint, was not enforced by the U.S. Bureau of Land Management, the agency that eventually acquired responsibility for enforcement. The end of the 12-year period since passage of ANCSA was reached in December 1983, and landowners and overseeing agencies interpreted this as the end of regulation under Section 22-k. A lawsuit (Angoon v. Marsh), claiming that the date of conveyance of lands rather than enactment date of ANCSA should be the start of the 12-year 22-k regulatory period, is still pending, however.

Table 4. Responses (%) to questionnaire on State Forest Practices Act regarding amount of non-timber resource protection provided and overall effect.[1]

Amount of Protection to Non-Timber Resources	Respondents Industry	ADF&G[2] ADEC	DNR[2] Foresters
Too Much	40	0	22
Right Amount	60	0	55
Not Enough	0	100	23
Overall Effect			
Positive	68	60	75
Negative	0	0	0
Both	24	0	25
Neutral	8	40	0

[1] Survey by Division of Forestry, Alaska Department of Natural Resources (J. Sturgeon, State Forester, Pers. Comm., 3/22/84).

[2] ADF&G - Alaska Department of Fish and Game
ADEC - Alaska Department of Environmental Conservation
DNR - Alaska Department of Natural Resources

When regulation of Native lands under Section 22-k expired, regulation of forest practices came under state statute, the Alaska Forest Resources and Practices Act of 1979. This Act regulates forest practices on both state and private lands, but with different criteria. Provisions applying to state and municipal forest lands, but from which private forestlands are exempt are: management based on multiple use and sustained yield (other than for timber) principles which best provide for present needs and preserve future options; any system of allocating predominant uses or values to a unit of land to reflect the resources and values of that unit; timber harvesting limited to areas where natural or artificial reforestation will provide a sustained yield of merchantable timber; productivity of land and water with respect to natural resources not to be impaired; and, where economically practicable, allowance may be made for scenic quality in or adjacent to areas important for tourism and recreation. Regulations to implement the State Forest Practices Act do protect streams and provide for soil stabilization on private as well as on state lands. Nevertheless, the Act and regulations provide much less fish and wildlife habitat protection on private lands than on state and municipal lands (Table 4).

WILDLIFE

Relatively little research has occurred on wildlife-forest relationships in southeast Alaska and for many species, habitat relationships are still largely unknown. Accounts which follow summarize current knowledge for those species which have been studied.

Deer

For more than a decade, research on Sitka black-tailed deer in Southeast Alaska has shown that clearcutting old-growth forest will reduce the carrying capacity of deer winter range (Leopold and Barrett 1972, Bloom 1978, Barrett 1979, Schoen and Wallmo 1979, Wallmo and Schoen 1980, Schoen et al. 1981, 1984, Alaback 1982, Rose 1982, Kessler 1982, Kirchhoff et al. 1983, Hanley et al. 1983). These and other studies document the value of old growth as important winter deer habitat. Although climatic conditions vary in Southeast Alaska, findings of a number of workers (referenced above) in northern Southeast Alaska are corroborated by Rose (1982) who worked in the more moderate climate of southern Southeast Alaska. Still further to the south, other investigators have described the importance of old growth to deer on Vancouver Island, British Columbia (Gates 1968, Jones 1975, Weger 1977, Bunnell 1979, Hebert 1979, Harestad 1979), the Olympic National Forest in coastal Washington (Taber and Raedeke 1980), and northwestern Montana (Mundinger 1984).

In Southeast Alaska, deer populations are generally limited by winter weather and the quality and quantity of the winter range. (An exception may be a few small islands where summer range is limiting.) Old growth provides deer with abundant food and shelter from deep snow. Second-growth forests are poor deer habitat in Alaska throughout the year because of the lack of forage plants. These forests will make up approximately 75 to 80 percent of the managed forests under a 100-year rotation. Clearcuts provide abundant forage for only the first 15 to 20 years of the rotation period. A further complication is that during periods with snow accumulation greater than a few inches, the most valuable forage for deer (herbaceous species such as bunchberry, trailing raspberry, and gold thread) are inaccessible in open clearcuts. Additionally, recent evidence suggests that the quality of the forage plants found in clearcuts is lower than quality of the same plants in old-growth forest (Billings and Wheeler 1979, Schoen and Kirchhoff 1984).

All old growth is not the same, however. High-volume hemlock-spruce stands are preferred by deer during winters with heavy snowfall, while low-volume and noncommercial stands are avoided, as are high-volume spruce riparian stands (Schoen and Kirchhoff 1983). The high-volume stands with larger trees and canopies intercept more snow than do lower-volume and noncommercial stands, resulting in lower snow depths and more available deer forage. In addition, bunchberry (a highly preferred forage plant) is significantly higher in nutritional quality in high-volume stands compared to low-volume stands (Schoen and Kirchhoff 1984, Flynn ADF&G unpublished data). Past timber harvesting has concentrated in the highest-volume stands, and future plans also project a disproportionate harvest in the higher-volume stands. The result will be a greater impact on deer than acreage figures alone may suggest.

There is an immediate management need for information relating old-growth harvest to deer populations in Southeast Alaska. The Alaska Department of Fish and Game has addressed this need by developing a model which predicts population changes in Sitka black-tailed deer as a result of logging in Southeast Alaska (Schoen et al. 1985). The model is based on habitat preference of radio-collared deer at Hawk Inlet, Admiralty Island, measured under low and high snowfall conditions. The model offers managers a systematic technique for evaluating timber management alternatives and their potential long term effects on deer populations. Alaska Department of Fish and Game and U.S. Forest Service biologists have also been developing a Southeast Alaska Multi Resource Model (SAMM, Fight et al. in prep.) which describes the interactions between timber management, hydrology, fisheries, and deer in selected watersheds on the Tongass. Developed primarily as an aid to research, this conceptual model may be adapted for management application in the future.

Wolves are a predator on deer in some areas and may keep populations depressed in years following severe winters and population die-offs (Olsen 1979). The Alaska Department of Fish and Game started a long-term study of wolf/deer-habitat relationships in southern Southeast Alaska in 1984.

Brown Bear

Historically the brown/grizzly bear was widely distributed in North America from central Mexico to northern Canada and Alaska, and from the Mississippi River to the Pacific Coast (Hall and Kelson 1959). Its distribution today is greatly reduced, with populations restricted to northwestern Canada, Alaska, and a few scattered wilderness enclaves in Montana, Idaho, and Wyoming. Alaska has the last major population of brown/grizzly bears in the United States.

Brown bears are indigenous to Southeast Alaska where they occur on the islands north of Frederick Sound and the mainland. Management concerns include hunting, effects of disturbance from increased human activities associated with development and recreation, and habitat alteration resulting from clearcut logging and mining activities. An effect of habitat alteration of special concern is the greatly reduced vegetative understory in regrowth stands; brown bears are omniverous, and understory vegetation forms a significant part of their diet. Anadromous fish are another important food, and any reduction in fish runs that might result from mining or logging is also of concern.

The effects of removing old-growth forest on brown bear populations in Southeast Alaska are unknown. Johnson (1980) stated, "Development of an extensive logging industry has perhaps the greatest impact on bear management in Southeast Alaska . . . one known impact which is primarily a management problem but at the same time contributes significantly to the kill, is the rather large number of bears destroyed in logging and support camps. This kill may approach 10 percent of the reported legal kill."

In Montana, Mace (1983) reported grizzly bears avoided or moved out of recently logged areas. Craighead (1977) and Jonkel (1977) suggested that human induced mortality associated with logging may be the major contribution to grizzly bear declines. In British Columbia, Russell (1974) indicated that coastal brown bear populations were incompatible with intensive forestry. Smith (1978) suggested that other factors, in addition to habitat alteration, may be contributing to declines in brown bear populations in this area. Archibald (1981), also in British Columbia, suggested that development in coastal mainland forests appears to result in declining brown bear populations.

Although much research has been conducted on northern and interior brown/grizzly bear populations, comparatively less work has been done in forested, coastal brown bear habitat. As development, including forestry and mining, increases in the coastal forests of British Columbia and Alaska, more information will be necessary to maintain current brown bear population levels.

The Alaska Department of Fish and Game began brown bear research in Southeast Alaska in the fall of 1981. Major objectives are to determine seasonal distribution and habitat preference, home range, den site characteristics, and reproductive rates. Current research is being conducted in Tenakee Inlet on Chichagof Island and Hawk Inlet on Admiralty Island (Schoen 1982, Schoen and Beier 1983). There is an historically demonstrated incompatibility between brown/grizzly bears and man. As Craighead et al. (1982) stated, "Space and solitude are essential for maintaining grizzly bears in perpetuity . . . Research and management efforts throughout North America should focus on the largest wilderness areas of prime bear habitat." Construction of roads with their inevitable increase in human activity and development will substantially increase the number of bear-human conflicts.

Three types of human-related bear mortality occur: legal harvest, illegal take, and take in defense of life and property. Legal harvest can be managed, but as major road systems proliferate in Southeast Alaska as a result of logging, the Alaska Board of Game will need to consider more restrictive harvest regimes. One possibility is a permit system with numbers of permits allocated by drainage. Illegal take and defense of life and property incidents cannot be effectively controlled and will increase as logging brings about development of formerly unroaded wild country.

Black Bear

Black bears occur on the mainland of Southeast Alaska and on the islands south of Frederick Sound. Black bears have generally not been studied or managed intensively in Southeast Alaska. The only major study was by Erickson (1982) who investigated the denning characteristics of black bears on Mitkof Island. He found that bears utilize clearcuts in summer, but den in large trees or hollow logs--available only in old-growth stands. Black bears do occur in high densities in some areas of Southeast Alaska where logging has occurred. Studies are needed to relate bear populations to successional stages following logging. More specifically, are these high bear populations associated with the dense understory and abundant plant food species immediately following clearcutting, and how are populations affected during the next successional stage when the understory is shaded out by even-aged, densely spaced second growth?

Lindzey and Meslow's (1977a) study on the Washington coast found that, "physical disturbance and loss of habitat due to timber harvest between 1952 and 1968 may have caused bears to leave the island or increased mortality and perhaps reduced productivity of those that remained." Additionally, Lindzey and Meslow (1977b) reported that plant species preferred as forage by black bears declined by 85 percent as cuts progressed from 6-11 to 40+ years of age. Bears used 40+ year-old regrowth significantly less than expected, given its availability. In western Washington, Poelker and Hartwell (1973) surmised that black bear damage to conifer regeneration at 20-40 years of age was related to food shortage in those stands.

The potential adverse impacts of logging are not restricted to forage requirements. Johnson and Pelton (1981) analyzed the selection and availability of den sites in the Great Smokey Mountains and concluded that remnant old-growth stands were important denning habitat, particularly for females and young bears. Use of tree cavities for denning was also reported by Polker and Hartwell (1973) and Lindzey and Meslow (1976) in Washington and by Erickson et al. (1982) and Miller and McAllister (1982) in south coastal Alaska.

Although little research has been done on black bear/forest relationships in Southeast Alaska, it is important to look at long term (over a 100-year rotation) effects of habitat changes for black bears. It seems logical to predict that large scale conversion of productive old-growth forests to relatively sterile second growth over most of the rotational period will result in declines in black bear populations.

Mountain Goat

Mountain goats are indigenous to the Southeast Alaska mainland, have been successfully introduced to Baranof Island, and were introduced to Revillagigedo Island in 1983. Although mountain goats are not considered animals of the forest, in Southeast Alaska, many goats winter in old-growth forest habitat (Schoen and Kirchhoff 1982, Smith 1983, Fox 1983). In some areas goats occur in commercial forestland that may be clearcut. In other areas, it is unlikely that clearcut logging will pose a direct threat to forested goat habitat because such steep areas are currently classified as unharvestable and the timber is of marginal economic value. However, as harvest methods change (e.g., helicopter logging) conflicts in these areas may develop. There is evidence of substantial goat use in small "islands" of steep old-growth forests. Extensive logging between "islands" of preferred goat habitat could create barriers to dispersal. Smith and Raedeke (1982) discuss the problems of timber development in forested goat habitat on the Cleveland Peninsula and the possibility of increased mortality and eventual elimination of the population, as a result of logging and road-building.

Although logging may not result in widespread habitat degredation as is the case for deer, the indirect impacts on goat populations during and following logging may be substantial. Improved access into many drainages has the potential for concentrating legal hunting, poaching, and disturbance. These problems are not restricted to timber activities but could also result from mining, hydroelectric projects, and other development.

Moose

Moose are found in scattered populations in Southeast Alaska primarily in the major mainland river drainages. Moose are considered a successional species which generally benefits from fire and logging. The major moose research in Southeast Alaska has been conducted in Thomas Bay (Doerr 1983), the Chilkat River (Hundertmark et al. 1983), and the Stikine River (Craighead et al. 1984). These studies revealed that moose use old-growth forests extensively during periods of deep snow. During snow-free and mild snow periods, clearcuts were also utilized. Moose are probably less impacted by clearcutting than are deer because they can utlize woody browse and travel through deeper snow better than deer. However, the closed canopy stands of second growth which replace clearcuts 20-30 years following logging are very poor moose habitat, and populations could be expected to decline if second-growth forests become abundant.

Wolf

Wolves are distributed throughout the mainland and southern islands of Southeast Alaska. They do not occur on Admiralty, Baranof, or Chichagof Islands. Little information is available on wolf biology or their habitat relationships. The Alaska Department of Fish and Game started a long term study of wolf/deer-habitat relationships in southern Southeast Alaska in 1984.

Deer are a major prey species of wolves in the southern archipelago. Following the severe winters of 1968-69 and 1970-71, deer numbers declined sharply. Wolf predation appears to have kept deer at low levels during the succeeding mild years (Olsen 1979). It is suspected that during heavy snow winters, when deer are forced to old-growth timber surrounded by clearcuts, wolf predation may be focused on old-growth retention areas. If deer do prove to be the primary prey, timber cutting which reduces deer populations can be expected to also adversely affect wolves.

Furbearers

The principle furbearers associated with old-growth forest habitats are beaver, marten, mink, and river otter.

Marten, of all furbearers, are probably most closely associated with, and dependent on old-growth forest (Marshall 1951, DeVos 1952). Marten are found naturally in Southeast Alaska along the mainland and on Admiralty, Kuiu, Kupreanof, and Revillagigedo Islands, and were stocked in 1934 on Prince of Wales, Baranof, and Chichagof Islands (Meehan 1974). Small mammals, especially voles, are a mainstay of the marten's diet (Koehler and Hornocker 1977), although they feed opportunistically on other available food (Lensink et al. 1955). In Southeast Alaska, red squirrels may be a particularly important food item. Other foods include grouse, other birds and their eggs, frogs, fish, insects, carrion, and berries (Seton 1929). Although local knowledge of habitat requirements is somewhat lacking, studies in Canada (referenced by Meehan 1974) and in Maine (Soutiere 1979) suggest that clearcut logging will reduce marten numbers.

Beaver are normally associated with "hardwoods" (e.g., alder, aspen, birch, willow, cottonwood) which they feed on, and accordingly are more common on the mainland than on the islands of Southeast Alaska. The animals are usually found in the valleys of slow-moving streams where there is little timber (Meehan 1974).

Since alder is a common component of early successionial vegetation development, beaver forage should be increased temporarily following logging (Meehan 1974).

Mink are perhaps Southeast Alaska's most abundant and commonly seen furbearer, spending summer along streams and in upland muskegs, and wintering in a narrow beach fringe zone. For den sites, mink prefer rocky, fairly steep beaches (but not bluffs), and are scarce along slightly sloping beaches where there is little cover at low tide (Harbo 1958). According to Harbo (1958) invertebrates, including blue mussels, clams, sea urchins, and dungeness crabs, make up the bulk of the mink's diet. Log storage and pulpmill effluents may be potential threats to these foods (Meehan 1974). Habitat loss of beach fringe timber due to clearcutting and associated blowdown is also a potential threat.

River otter are believed to be primarily inhabitants of beach and streamside habitats, although reports are common of otter 1/4 mile or more inland, especially in winter. Otter feed primarily on fish and shellfish, and may occasionally take swimming birds. Log storage and pulpmill effluents may affect these food sources (Meehan 1974). Decreased denning activity in beach fringe areas associated with clearcuts (Larson 1983) suggests logging may have a deleterious local impact on otter populations.

Bald Eagle

The bald eagle, once widely distributed throughout North America, is today considered common only in Alaska. The greatest concentrations of these birds are found in the coastal forests of Southeast Alaska. Aerial surveys indicate a stable population of between 7,000 and 7,500 birds in Southeast Alaska (Hodges et al. 1979). Eagles nest in the most mature trees, usually within several hundred feet of the open shoreline; on Admiralty Island, 85-90 percent of the nests were in old-growth Sitka spruce (Robards and King 1966, unpublished report). Second growth is not used for nesting if there are any remains of virgin stands in the vicinity (Meehan 1974).

Timber harvesting has been identified as a major factor in the elimination of suitable nesting habitat (Braun et al. 1975) and winter perching sites (Stalmaster and Newman 1978) in the Pacific Northwest. Management policies recently set forth (TLMP 1979) in Southeast Alaska call for retention of buffer areas around known nest trees and retention of beach fringe timber to protect nesting habitats.

Canada Goose

The Vancouver Canada goose nests in a generally solitary fashion throughout its range, which extends from Cross Sound and Lynn

Canal south to Dixon Entrance, on both the mainland and the islands of the Alexander Archipelago (Hansen 1962). This subspecies of Canada goose also winters mainly in Southeast Alaska, with estimates of the total population approaching 50,000 birds (Meehan 1974). Intertidal and estuarine areas throughout Southeast Alaska are a very important part of the year-round habitat, with sedge meadows, grass flats, muskegs, beaver ponds, and shallow lakes providing important feeding and brood rearing areas at certain times of the year (Meehan 1974). More recently, Lebeda and Ratti (1983) reported the importance of old-growth timber as vital nesting, feeding, molting, and brood rearing habitat. Lebeda and Ratti (1983) speculate that predation pressure by crows, ravens, bald eagles, mink, and otter has selected against individuals using traditional open habitats and favored birds using dense forest zones away from the beach fringe. Potential threats to Canada geese are log storage sites in estuarine areas and clearcut logging of certain old-growth stands, particularly lower-volume classes in proximity to extensive muskegs or estuarine habitats.

Marbled Murrelet

The marbled murrelet is the most abundant small seabird in many coastal localities, with numbers in Southeast Alaska estimated at 250,000. Its nesting requirements, however, are largely unknown with only nine nests recorded until recently throughout its range (northern California to Prince William Sound). These limited nesting records, along with its general distribution which coincides with remaining old growth, suggests this species may be adversely affected by logging. The Pacific Seabird Group passed a resolution in December 1982 citing the potential conflict between logging and murrelet habitat and urging additional research. The Alaska Department of Fish and Game studied murrelet nesting on Baranof Island in 1983-84.

Other Birds

Birds which commonly overwinter in old-growth forest include the hairy woodpecker, chestnut-backed chickadee, golden crowned kinglet, winter wren, brown creeper, pine siskin, and red crossbill. These, and other less common winter residents use old growth both for feeding and roosting in winter. Roosting birds require cavities, usually in dead, decaying snags, which are relatively abundant in old-growth forest. Some birds are seed eaters and others are insectivores, gleaning their food from the bark of trees. Old-growth forests produce both an abundance of seeds and well developed bark substrates for these foraging activities. Ongoing research on the habitat requirements of wintering birds in Southeast Alaska (Hughes, ADF&G, pers. comm.) suggest that high-volume stands of old growth are ecologically distinct from other stands, and support a characteristic avifauna. Loss of snags, and disproportionate harvesting on rare high-volume stands are the greatest threats posed to some species of birds wintering in Southeast Alaska.

FISHERIES

Much of what follows has been taken directly from "The Forest Ecosystem of Southeast Alaska - 3. Fish Habitats" (Meehan 1974).

Finfish (salmon, trout, etc.)

Fish and timber are the two most important natural resources in Southeast Alaska at the present time. Salmonids (Pacific salmon, trout, and char) often spend most of their freshwater life in streams that flow through forested watersheds. In the glacier-formed, U-shaped valleys common in Southeast Alaska, much of the best timber is found in the valley bottoms in close association with salmon and trout streams. This makes timber harvesting a more difficult problem, because timber harvesting can affect streams.

Two major freshwater habitat types are important to salmonids, i.e., spawning areas and nursery or rearing areas. In some cases a reach of stream may serve as both spawning and rearing habitat, but more often rearing areas are located some distance away from the major spawning riffles. Pink and chum salmon utilize spawning habitat; but after fry emerge from the gravel beds, they migrate to sea almost immediately, so that freshwater rearing areas are not significant factors in their life cycle. On the other hand, the remaining salmon species (coho, chinook, and sockeye), the trouts (rainbow and cutthroat), and the char (Dolly Varden) spend from a few months to 3 or 4 years in fresh water before migrating to sea; in some cases they spend their entire life in fresh water. To these species the rearing areas are often more important than spawning habitat (although both can be critical), since the amount and quality of "living room" is generally the factor which limits their production.

The primary function of spawning gravels is to provide an environment suitable for the development of the eggs and alevins up to the time of hatching and emergence. The rearing areas must provide conditions suitable for the growth and survival of the young fish. Because of these different requirements, the two habitat types may be quite dissimilar. The spawning environment must (1) contain sufficient quantities of suitable gravel, (2) provide sufficient surface and intragravel water flow to assure adequate flow of oxygen to, and removal, of metabolic wastes from the developing embryos, (3) maintain temperatures which assure proper rate of development and time of emergence of the eggs and fry, and (4) be free of sediment in quantities which would inhibit development of embryos due to oxygen depletion and would physically inhibit or prevent emergence of fry.

The rearing environment must provide the food, living space, cover, and water quality necessary for good growth and survival of fish populations. The spawning reaches are generally characterized by series of riffles and pools, where the flowing surface water can be oxygenated, and where bottom contours favor the interchange of surface and intragravel waters. The rearing habitat, on the other hand, is often slow-moving water, rich in plant and invertebrate animal life, and ranges from small streams and tributaries, through sloughs, side channels, and shore areas of major streams and rivers, to ponds and lakes of varying size.

Consideration for fish habitat in Southeast Alaska during timber harvesting was, in the past, often directed only toward the larger spawning streams. Today, the great importance of the smaller rearing areas is being more fully recognized, and these areas are now beginning to receive the attention which they warrant. Small streams are generally more dramatically affected by changes than are larger streams and rivers.

Sediment (both suspended and deposited), water temperature, dissolved oxygen, streamflow, and debris are the factors associated with logging practices which can affect the habitat of anadromous and resident fish populations. These factors often are interrelated, and the total cumulative effects may be greater than the sum of their individual effects.

Sedimentation--Sedimentation caused by destruction of streambanks, slope erosion, erosion of roads, or debris avalanches can alter the gravel composition of streams. Road construction is generally recognized as a major cause of logging related sedimentation (Burns 1972, Gibbons and Salo 1973). Increases in sand and silt in spawning gravels can reduce oxygen delivery and metabolic waste removal needed by developing salmon embryos and cause decreased survival, premature emergence, or smaller size of emergent fry (Cooper 1965, Reiser and Bjornn 1979). Sediment in spawning gravels also inhibits emergence by entombing alevins (Koski 1966) and may reduce the average size of emergent fry because only smaller individuals can emerge from sediment impacted gravels (Tappel and Bjornn 1983). Gravel permeability is the best when gravel contains less than 5 percent sand and silt by volume (McNeil and Ahnell 1964).

Sedimentation can also affect rearing species by reducing the stream's capacity to produce food organisms (Phillips 1971) and by reducing habitat for juvenile fish (Bjornn et al. 1977). Sigler et al. (1983) reported that juvenile salmonids grew slower and had greater rates of emigration from experimental streams when subjected to turbid water conditions and Crouse (1981) demonstrated that coho production declined when large cobble substrates which they used for shelter were covered by sediment.

Sediment can affect adults also. Migrating king salmon will choose clear water tributaries in preference to streams that are turbid (Smith 1940), and adults will often refuse to move when suspended sediment exceeds 4,000 milligrams/liter. Adult trout will cease feeding and move closer to cover when turbidity exceeds 35 milligrams per liter (Bachman 1959). Bachman (1984) showed that adult brown trout decrease rates of feeding during turbid conditions.

Temperature--Removal of the forest canopy increases sunlight penetration and can increase water temperature (Brown 1970) and thereby increase mortality of spawning fish (Reiser and Bjornn 1979). In Alaska, Meehan (1970) found increases in stream temperature resulting from clearcutting but noted that increases did not reach levels lethal to salmonids. However, temperatures greater than about 13-15° C., although not lethal, can cause decreased growth rates and lower rearing densities (Rieser and Bjornn 1979). In British Columbia, Hartman et al. (1982) found that winter water temperatures increased after clearcutting, accelerating the rate of development of incubating alevins and causing fry to emerge from the gravel earlier in the year. Early emergence often occurs at a time of spring floods, and many fry are swept out to sea. Fry that escape floods enjoy a longer growing season and may attain a greater size by the end of their first year (Scrivner and Anderson 1984). Tyler and Gibbons (1973) and Sheridan and Bloom (1975) also reported on effects of forest canopy removal on stream temperature. Within limits, temperature increases in small streams as a result of removing streamside vegetation can be predicted. In some situations a slight warming of stream water might initially enhance fish production, but the cumulative downstream effects of temperature increases in upstream tributaries must be considered.

Logging related increases in temperature have popularly been criticized as a source of mortality in spawning pink salmon. However, Murphy (1983 unpublished) reported that summer die-offs of pink salmon in clearcuts is more related to low stream flows and low tides which trap and concentrate spawners, thereby creating anoxic conditions and rapid mortality.

Streamflow--Streamflow usually increases following logging due to decreased evapotranspiration and interception of water. Chamberlin (1982) lists examples showing annual increases in runoff 20-40 percent greater than pre-logging levels. Additionally, increased peak flows may occur and appear to be related to the amount of roads in the harvested watershed (Moring 1975).

It is not known if timber harvest alone (through evapotranspiration decrease) can increase peak flows significantly (Chamberlin 1982). However, much greater flow increases may be caused by rain-on-snow events or when heavy rainfall coincides with rapid snowmelt. Although Harr (1980) found no direct data linking these events with destructive peak flows, considerable circumstantial evidence suggests that harvesting in coastal British Columbia may have contributed to deteriorating aquatic habitat in a region where rain-on-snow events are common (Chamberlin 1982).

Evidence now shows that flooding, even within normal limits, has a dramatic impact on rearing salmonids and may be the single most important factor in determining annual abundance. Mason (1976) found that winter floods can rapidly reduce summer populations and Tschaplinski and Hartman (1983) found that numbers of juvenile coho salmon were depleted after floods. Also since fish choose foraging sites based upon their size and local velocity conditions (Bachman 1984), both higher minimum flows and higher peak flows may limit the number of usable foraging sites and thus reduce the population density.

Long term changes in streamflow may have greater impact on fisheries by limiting annual recruitment. Murphy (1983) concluded the following about streamflow following logging after studying a 1981 fish kill of pink and chum salmon spawning in Porcupine Creek on Etolin Island, Southeast Alaska: "In the short term, less than 20 years, streams in clearcuts may have increased minimum water flow because water that would have been transpired by the forest becomes runoff. For example, in western Oregon, cutting 80 percent of the trees in one watershed increased minimum streamflow by 85 percent (Rothacher 1970). Thus, fish kills may occur less frequently in recently logged watersheds than in similar forested watersheds if temperatures do not increase too much. However, in rapidly growing, second-growth stands (stands more than 20 years old), transpiration may be greater and streamflow less than in old-growth stands (Berndt and Swank 1970, Myren and Ellis in press). In the long term, logging could reduce minimum summer streamflow and exacerbate salmon kills." In summary, peak water flows in logged drainages may be increased, decreased, or remain unchanged after logging.

Water Quality: Nutrients--When watersheds are clearcut, nutrient cycling is interrupted. Trees are a major source of uptake of minerals, and their harvest can increase the nutrient input into streams, but only for short periods. Streams that are limited in a particular nutrient may experience major increases in algal production if temperature, flow and light conditions permit (Chamberlin 1982).

Large Organic Debris--Excessive log jams and large debris may limit fish production in some streams by blocking spawning fish passage. Moderate amounts of logs and large debris provide rearing and resting pools for juvenile salmon, trout, and char.

Franklin et al. (1981) reported the following about in-stream logs: "Logs are critical to maintenance of physical and biological stability in headwater streams. Debris dams create stepped stream profiles that dissipate energy otherwise used for transporting sediment and lateral-cutting and downcutting of stream channels. Such dams, with their associated plunge pools and beds of trapped gravels and fine sediments, provide a range of habitats needed to maintain a full array of stream and stream margin organisms. Logs are an important source of energy in streams, and the bulk of the nitrogen supply of a stream comes from woody debris."

Stream Habitat--Clearcutting affects stream habitat and limits the abundance of rearing salmonids. Clearcut reaches of stream have fewer undercut banks, fewer pools, more riffle area, and less organic debris than undistrubed sections of stream (Murphy and Koski 1984 unpublished). Habitat reduction is presumably caused by crossstream yarding of logs which can destabilize or remove instream debris, and collapse undercut areas. Overzealous stream cleaning of logging residue after harvest also appears to be a major factor in reducing instream wood debris.

Large organic debris (LOD) such as root boles, logs, and accumulated or matted branches are important components of juvenile salmonid habitat in coastal streams and may regulate annual production and smolt yield. Fallen or windthrown trees are incorporated into stream channels where the hydralic action of water plunging over or moving around LOD scours out pools. Fish use these quiet areas to conserve energy and venture out to capture passing food items. The number of these foraging sites or refuge sites determines the density of juveniles (Bachman 1984).

LOD may be more important during winter. With decreasing water temperature, swimming performance declines, and fish seek shelter from floods by moving to deeper water and to recesses provided by LOD (Bustard 1975). Studies of winter habitat by Heifetz et al. (in press) found that fish used only that habitat during the winter that had LOD. Mason (1976) demonstrated that regardless of the size of the summer population of fish, the annual production in the form of smolt was directly related to the amount of winter habitat available.

Of great concern to fishery managers are the long-term (more than 40 years) effects on habitat. Swanson et al. (1974) suggested that large organic debris gradually disappears when the source of recruitment is removed and does not return to former levels until

100 years after cutting. Sedell and Triska (1976) indicate that 300 or more years may be required for levels of large oraganic debris to recover. Based on work by Murphy and Koski (1984 unpublished) and Elliott (unpublished), long-term loss of LOD could result in a 30-50 percent decrease in the abundance of rearing coho.

The Stream-Forest Interface: Managing the Riparian Zone--The riparian zone and stream ecosystem are closely linked: events that occur in the riparian zone can directly affect the status of the stream. The riparian zone provides nutrients and organic material that is utilized by a wide diversity of stream invertebrates. Large organic debris stabilizes stream channels, forms pools, undercuts banks, and provides concealment for juvenile salmonids. Tree canopies provide shade during the summer that limits high stream temperatures. There is also evidence that the timber canopy provides an insulative layer and can help moderate the effects of low winter temperatures. Riparian zones act as buffer or "filter" against sediment and debris.

Clearcutting to stream banks disturbs the relationship between riparian and stream ecosystems, and changes could be expressed in terms of salmonid production. Tschaplinski and Hartman (1983) found that logging to the streambank and leaving no buffer zone was detrimental to juvenile coho salmon. Culp and Davis (1983) concluded that buffer strips at least 10 meters wide are necessary to maintain normal levels of organic input and benthic detritus in coastal streams. They stated that all logging, including selective logging, must be prohibited in this zone.

In Southeast Alaska, Murphy and Koski (unpublished) reported that streams in clearcuts had more fry than streams in old growth, but streams with buffer strips, where trees were not removed, had more fry than either streams in clearcuts or in old growth. Murphy and Koski (unpublished) stated that clearcuts had the highest levels of algae and invertebrate biomass and greatest density of fry indicating that logging had caused increased productivity. Streams with buffer strips provide optimum habitat for fry and may benefit from increased productivity resulting from clearcutting upstream.

But within clearcut streams increased production of fry is nullified by established levels of winter habitat (Mason 1976), and since clearcuts have less LOD than undisturbed streams, the winter mortality would be expected to be greater. Buffer zones, on the other hand, optimize and in some cases can maximize the winter carrying capacity by providing more LOD and should capitalize on increased production in clearcuts. However, more research is needed on the links between clearcut production and smolt production before sound guidelines for LOD management can be developed.

In the interim, buffer zones are considered to be the most effective and reliable solution to the LOD problem and meet all criteria for maintaining the habitat requirements of salmonids.

Many of the factors which have been discussed in this report are difficult to measure because natural variation can often be greater than the variation caused by man. For example, if severe storms occur during the measurement period, small changes in suspended sediment concentration or streamflow as a result of roadbuilding or logging might go undetected. Natural variations in stream temperature are also a potential problem in identifying temperature changes resulting from man's activities.

In summary, man's activities in a watershed can adversely affect fish habitat. These activities (logging, road construction, etc.) can be compatible with the production of salmonid fishes only if adequate consideration is given to the aquatic environment during both planning and operational stages. Protection of fish-producing waters in conjunction with land use treatments is a responsibility which land managers must never overlook. Fishery biologists must help determine the type of protection necessary for each stream system, and foresters must plan timber harvest in that system to assure that the necessary protection is afforded.

Research Needs--Much is known in a general way about the effects of man's activities on fish habitat in Southeast Alaska. There is still need, however, to more precisely define cause and effect relationships between logging and fish habitat and populations. Continuing research is needed on relationships between logging activities and stream sedimentation, water temperature, and large organic debris in streams. Changes in these aspects of habitat must then be related to survival of eggs and the various age classes of young salmonids, growth rates of salmonids, invertebrate production, and time of smolt migration to sea. Research must also focus on long-term effects. It is the concensus of investigators that increases in stream productivity associated with logging will not be permanent and that a long-term loss of debris-formed habitat will cause a decline in coho abundance. Data are not yet available however. Until these aspects are more thoroughly investigated, the Alaska Department of Fish and Game and others are requesting that logging and road construction in the most productive fish-producing watersheds such as Kadashan in Tenakee Inlet be deferred.

Shellfish (crabs, clams, etc.)

During log dumping and rafting processes, bark is knocked from logs and sinks to the bottom, often in large quantities. This accumulation can greatly increase oxygen demand, resulting in reduced populations of marine benthic organisms, (such as crabs, and other shellfish), and can also smother the bottom so thoroughly that repopulation by benthic forms is prevented.

Observations at several dump sites in Southeast Alaska showed that significant accumulations of organic debris may persist for long periods of time (Ellis 1970). Marine animals, including crabs and clams, were very scarce in some areas compared with nearby areas without log dump sites. In general, the impact of these log facilities depends on several conditions including the type and age of the facility and the characteristics of the water (depth, influence of tidal currents, etc.).

Water storage of logs also results in a release of soluble organic compounds (leachates) which further increases the oxygen demand in the storage area. Length of storage, species of logs stored, and various estuarine conditions all influence the effects on marine communities. Much remains to be learned about the effects of water-based log handling in Southeast Alaska. The economic as well as biological considerations involved in rafting and towing versus barging, for example, need to be determined. In general, any method which reduces the amount of bark and other log debris accumulating on the bottom is preferred.

Economic Contribution

Fisheries resources contribute substantially to the economic welfare of Southeast Alaska. Data from 1980 for finfish and shellfish show their ex-vessel value to the fishermen to be $66.5 million and their primary wholesale value to be $196.9 million (Table 4). The estimated value for sport fish angling in 1979 utilizing fish produced on the Tongass Forest was $3.7 million (Sullivan and Sheridan undated).

GUIDING

Guiding is a multi-faceted industry directly affected by forest management in Southeast Alaska. Guiding occurs for a number of activities, including hunting, fishing, marine cruising, kayaking, rafting, photography, aerial sight-seeing, and ice field travel. All are enhanced by an esthetically pleasing environment and without crowding and interaction with other people. Forest management affects guiding in that clearcut areas are generally considered to detract esthetically. Consequently, as more areas are clearcut, guiding tends to concentrate in undisturbed areas, with the potential to create overcrowding and increased human interaction.

Since big game guiding has a longer history and is more closely regulated than other types of guiding and since more information is available, it will be considered in more detail in this report. Big game guiding has been conducted in Southeast Alaska since the 1890's. It has continued as a viable industry since then, and guides today believe their long existence in Southeast Alaska entitles them to recognition when land management plans are considered.

Brown bears are the major species guided for in Southeast Alaska. Black bears and mountain goats are also guided for, and a very limited amount of guiding occurs for deer. Twenty-two Master and Registered Guides are licensed and actively guide in Southeast Alaska (Game Management Units 1-5). Most hire two or more Assistant Guides and other seasonal help.

State regulations require that hunters who are not residents of Alaska contract with a licensed guide for brown bear hunting. This, and the fact that many non-residents do not have the knowledge and equipment to hunt alone, results in most guided hunters being non-residents. The income brought into the state by non-residents is "outside" money and may add more to the overall state economy than money that is merely recirculated by resident hunters.

A recent survey (Beier 1984) estimates the revenue generated in the state annually by guided hunters. An average brown bear hunt lasts about 12 days and costs about $600 per day for guide fees. The total number of nonresident guided brown bear hunters averages about 70 per year (56 successful and an additional 20 percent unsuccessful). This totals $504,000 in guiding fees, $6,300 in hunting and sport fishing licenses, and $17,500 in brown bear tag fees for a total annual direct expenditure for guided brown bear hunting of $527,800. Air travel costs, taxidermy fees, and incidental expenditures are in addition. When expenditures for guided black bear and goat hunts are added to brown bear hunt expenditures, it is estimated that the Southeast Alaska guiding industry brings between $750,000 and $1,000,000 into the state each year.

Income from non-resident hunting licenses and big game tag sales is especially important as a source of revenue for the State Division of Game. For 1983, statewide non-resident hunting license and big game tag sales totalled nearly $2 million, in contrast to resident hunting license and big game tag fees which totalled $850,000. Hunting license and big game tag fees directly support Game Division programs and are especially important because they are the main source of matching funds for revenue from the Federal Aid in Wildlife Restoration Program ($1 from license sales can be matched with $3 from the Federal Aid Program).

Guides have consistently been on record that clearcutting is not compatible with guided hunting, especially for brown bears. A survey of guides conducted by Beier (1984), an experienced Assistant Guide for Southeast Alaska, spelled out the impact of logging on the guiding profession. Twenty Master and Registered Guides were sent questionnaires, and ten responded. All but one listed hunt esthetics as an extremely desirable aspect of guiding and said that clearcutting greatly decreased the esthetic appeal of an area. All respondants stated that they did not hunt in areas that had been or were being logged. Reasons given were esthetics and reduced bear populations in logged areas. Most guides listed a number of bays where they no longer guided because the bays had been logged.

At present, 13 guides have joint exclusive guiding use of Game Management Unit 4, Admiralty, Baranof, and Chichagof Islands. This unit follows the Alaska Peninsula and Kodiak Island game management units in number of brown bears produced. Because of logging and roading in Unit 4 and resulting reduction in hunting areas and numbers of bears, guides believe that the 13 guides licensed for Unit 4 should be reduced to six or less. The state Guide Board is presently working on a plan for such a reduction and criteria for new guide eligibility under a six guide limit. In effect, timber cutting activity to date, which is only a fraction of what is planned, has already threatened to severely reduce guiding in Southeast Alaska.

ECONOMICS OF TONGASS FOREST LOGGING

The history and economics of timber industry operations in Southeast Alaska are particularly significant for upcoming policy decisions. The 50-year contracts governing current logging in the Tongass have been questioned, and the prudence and legality of re-negotiating these agreements may, to a large extent, be determined by the history of resource and fiscal management by the timber companies concerned. The economic procedures for timber sale and harvest--vital to understanding the viability of the industry in Southeast Alaska--constitutes the remainder of the report. Timber sales in the Tongass, as in national forests throughout the nation, are conducted by the Federal Department of Agriculture through the auspices of the Forest Service. A complex system of setting timber prices, deducting harvest costs including roadbuilding, and lowering sale prices retroactively through rate "redeterminations," go to preserve industry profits while in effect providing a government subsidy. Forest Service figures for Alaska for 1983 show each dollar spent by the government for timber sales returned 2 cents in timber sales receipts (Emerson et al. 1984). Examining below-cost timber sales and the portion of industry expenses underwritten in this fashion by public monies aids in interpreting the actual, long-term contribution by the timber industry to the area economy, especially given any uncertainty of continued funding support from the federal government.

The Economic Beneficiaries of Logging in Southeast Alaska

Two pulp producers, Alaska Lumber and Pulp (ALP) and Louisiana Pacific-Ketchikan (LPK), exercise predominant control over logging operations in Southeast Alaska, and presently employ approximately 2,000 workers (Alaska Department of Labor, pers. comm. 1984). Some work is seasonal and results in payment of unemployment benefits by the State of Alaska. In 1983, the State paid unemployment benefits of $4,004,594 to lumber, wood product, and pulp workers. A significant portion of timber industry workers are not Alaska residents; of the $4 million in unemployment benefits paid by the State to forest products workers in 1983, more than one-third was paid out-of-state (Alaska Department of Labor, pers. comm. 1983).

Among the other direct beneficiaries of logging in the Tongass--namely the primary consumers of sawtimber and pulp produced--are the Japanese. Virtually all the sawtimber taken from the Tongass Forest is currently being marketed overseas, while only a scant amount is being used locally. In addition to the sawtimber, Japan purchases ALP's entire production of pulp. Pulp produced by LPK is also marketed internationally through the "spot market," whereby nearly 50 percent is shipped to the Middle East (J. Mehrkens, U.S.F.S. economist, Juneau, pers. comm. 2/1/84).

Timber Sales and Pricing

The regional office of the U.S. Forest Service is charged with conducting Tongass timber sales. An admittedly complex system of setting timber prices, deducting harvest costs including roadbuilding, and lowering sale prices retroactively through rate "redeterminations," ensure industry profits while in effect providing a large government subsidy. Details of the workings and abuses of the pricing system follow.

The purchase price paid by the timber industry for timber harvested from national forest land is calculated as a "stumpage fee." Stumpage fees paid to the U.S. government for Tongass timber are determined by subtracting industry production costs, including an allowance for profit and risk, from anticipated final product prices. Production costs deducted from the purchase price include numerous expenses, including a substantial sum for the construction of roads for transporting timber from cutting sites to the mill.

When production costs are high, as is the case of virtually all Tongass sales, the U.S. Forest Service absorbs a loss so as to ensure the profit of the timber corporations. A 1983 study reported that the Forest Service spent more than $375 million from 1970 to 1982 to make Tongass Forest timber available, while charging loggers less than $63 million (Wolf cited in Barlow 1983). Emerson et al. (1984) reported that for timber sales in Alaska in 1983, the Forest Service received only 2 cents back for every dollar it spent to make timber available for harvest.

Although such "below-cost sales," as they are termed, are currently legal under federal regulations, debate has begun in congressional committee (U.S. Congress 1983) as well as in several national publications as to the economic prudence of the practice. Since loss to the Forest Service on timber sales in Alaska is especially high as compared to other states (Emerson et al. 1984), the timber industry in this state is vulnerable to any redefinition of the Forest Service pricing system which would eliminate currently allowable losses.

Roadbuilding costs, as previously mentioned, are currently deducted by timber corporations from the price paid for the trees purchased in national forests. Yet this deduction alone is not enough to make logging economically feasible in the Tongass. The Alaska Lands Act guaranteed an additional $40 million annually--or as much as needed--to keep the timber industry "stable" in Southeast Alaska. This money can be used for "pre-roading," that is constructing access roads before sales to technologically marginal and low-volume timber stands and to LUD III drainages managed for biological and esthetic considerations as well as timber yield. Pre-road money can be used in both independent or short-term sale areas and in long-term sale areas.

Further Reductions of Timber Prices

Stumpage rates, the price paid to the government for timber cut from public lands, are redetermined for the two 50-year contracts every 5 years. In addition, these long-term contracts qualify for special "emergency rate redetermination" by which the selling price can be dropped retroactively for a period of up to 5 years so as to ensure industry profitability in the face of declining or unfavorable markets for the finished lumber and pulp products.

While rate redeterminations for industry benefit are awarded during a falling market, there is no reciprocal arrangement for rising market conditions. If the selling price of finished lumber and pulp products rise during the period of a contract sale, no adjustment is made. Consequently, only industry benefits from rising market conditions, while the federal treasury loses revenue retroactive from past timber sales when markets decline.

Emergency rate redeterminations, by reducing stumpage fees, substantially reduce receipts by the government for timber sales in the Tongass. Recent redeterminations were granted to the two 50-year contract holders, ALP and LPK, due to depressed market conditions for pulp and timber products. As an example, retroactive to July 1, 1982, ALP had the 1981-86 appraisal rate per thousand board feet reduced for spruce sawlogs from $215.98 to $2.26, and for Alaska cedar sawlogs from $1,058.27 to $1.22. For LPK the 1979-84 appraisal rate for spruce sawlogs was reduced from $114.96 to $2.87 per thousand board feet, retroactive to December 1, 1981.

Economic Disadvantages Placed on Small Timber Operations

Under existing regulations small, independent logging operators are put at a substantial disadvantage by the system of awarding rate redeterminations. Sales of less than 7 year's duration are not eligible for emergency rate redeterminations, and only the long-term contract holders, LPK and ALP, can receive the retroactive discounts.

Small logging operators are further disadvantaged because they must pay cash stumpage deposits much sooner than ALP. This is because the sale area boundary in the ALP contract encompasses inlets and bays where logs can be stored, and small sale contract areas are restricted to land. Small sale operators must pay cash stumpage deposits after logs have been in the water for 30 days, and ALP can leave logs in the water indefinitely without paying stumpage deposits.

Weaknesses of the Current Pricing System

A major weakness of the current pricing system for timber sales on public lands is that it invites timber companies to devise schemes to show minimal final product returns so that the stumpage fees they pay for cutting will be calculated at the lowest possible value. The system also invites companies to inflate logging and mill costs to force final stumpage prices even lower. Court records in which ALP and LPK were convicted of antitrust violations show that both 50-year contract holders have committed these practices in the Tongass (Reid Brothers Logging Co. vs. Ketchikan Pulp Co. and Alaska Lumber and Pulp Co., 1981).

Since roadbuilding is a leading deduction from the sale price of timber on public lands, it is desirable to minimize roadbuilding. One option available to reduce the number of miles of road being built in the Tongass is simply to better utilize existing roads. There are several important advantages of this approach to management. First, the high cost of roadbuilding would be reduced, an expense which is passed on to the taxpayer when the timber industry deducts it from stumpage fees paid to the Forest Service for trees cut. The Forest Service estimates that in LUD III areas an additional 60 percent of roads is necessary on the first entry to harvest the same volume of timber as could be harvested in the first entry on an area managed more intensively for timber. Government pre-road funds pay directly for this additional 60 percent of road contruction (USFS, TLMP, p. H-2 1979).

Another advantage of using existing roads rather than constructing new ones is that additional impacts to habitat can be confined to drainages that have already been disturbed, and road construction and logging can be deferred in undisturbed drainages with high fish and wildlife values.

In addition to direct funding for roadbuilding in LUD III and marginal stands, credits are awarded to timber companies for additional roads which they build for cutting and transport. These credits are reductions made in the price paid to the Forest Service for timber. These roadbuilding credits are awarded in lieu of actual receipts to the National Forest and listed as part of a system of collector and arterial roads. Such credits deducted from the purchase price of timber can be quite substantial. In Fiscal Year 1982, for example, the Forest Service reported that roadbuilding credits accounted for 67 percent of Tongass Forest receipts.

Actual payments for the purchase of timber by corporations in the form of stumpage fees proved, by contrast, rather inconsequential. For Tongass Forest timber cut in 1982 and valued at $21.5 million, only $2.5 million or 11.5 percent of the appraised market value was actually paid to the National Forest fund after reductions including deductions for roadbuilding expenses. Roads built by timber companies for which they have received purchaser credits revert to the Forest Service after timber harvest is complete. The Forest Service either maintains them or "puts them to bed" so they cannot be used, but could be put back into use at a future date.

In summary, the current method of calculating stumpage rates by deduction of expenses, as well as the additional federal funds supporting pre-roading, result in high government expense and consistently below-cost timber sales in the Tongass.

Antitrust Violations

In 1981, ALP and KPC (Ketchikan Pulp Company, now LPK) were found guilty in United States District Court of conspiracy in restraint of trade and attempt to monopolize in violation of the Sherman Antitrust Law (Reid Brothers vs. Ketchikan Pulp Co. and Alaska Lumber and Pulp Co. 1981). The Ninth Circuit Court of Appeals upheld this ruling, and the Supreme Court let lower court decisions stand. Evidence presented during the Reid Brothers lawsuit showed that the two large companies deliberately forced small, independent operators out of business and kept other large companies from competing.

These antitrust violations in the Tongass have been further scrutinized during recent congressional oversight hearings headed by Representative James Weaver examining Tongass Forest timber industry practices (U.S Congress 1983). The hearing record includes testimony by Forest Service, Justice Department, and industry representatives. In addition, documents were introduced which summarized illegal and potentially illegal activities in the Tongass. What follows is a summary of the most telling testimony.

First, the Weaver hearings cited a report by a three-man Forest Service team to the Alaska Regional Forester reviewing the evidence presented during the Reid Brothers lawsuit.

Collusive bidding practices by ALP and KPC in effect eliminated competition between these two major companies. These companies also bid preclusively against other, often smaller companies to prevent them from operating profitably in Southeast Alaska, and thereby retained control of Tongass timber themselves. The review team acknowledged that the Forest Service had been aware of the preclusive bidding practices occurring from 1966-1975, but apparently had done little to discourage this collusion.

Beginning in 1975-78 another form of collusion became apparent, according to the Forest Service review team: ALP and KPC allegedly boycotted Tongass timber sales. This boycotting of sales resulted in lower stumpage prices to be paid by the corporations. The practice stands as evidence that widespread collusion in bidding practices have continued beyond the original citations.

ALP and KPC sold pulp and lumber to parent companies at less than fair market value, while parent companies sold supplies to mills at inflated prices. These practices resulted in the deliberate reporting of false profit figures. By reporting falsely lowered profits, the two corporations were awarded reduced stumpage fees--in effect paying less for the timber they had cut. In this way the federal government lost revenues through the fraudulent accounting of the long-term contract holders. In turn, the State of Alaska lost its 25 percent share of these federal receipts from Tongass timber sales.

Additionally, KPC sold cedar logs to ALP and presented fraudulent invoices to the Forest Service to further depress the price to be paid to the government. The logs were then sold in Japan and the true profits divided between the two companies. The basic appraisal process for determining stumpage rates was also abused when KPC used subterfuge in making payments to loggers, thereby lowering the price to be paid the Forest Service.

Forest Service Review Team Recommendations

Overall, the Forest Service review team has recommended sweeping reforms of timber management practices in the Tongass National Forest.

To remedy the losses incurred by state and federal treasuries as a result of illegal activities by the long-term contract holders, the Forest Service report recommended that the State of Alaska and the Internal Revenue Service should be informed of revenues due to them which were fraudulently withheld by the long-term contract holders in the Tongass. The review team further recommended that the Justice Department of the United States be informed of the extent of revenues fraudulently withheld from the government so that appropriate actions can be taken against the corporations.

The Forest Service review team also recommended that 5-year rate redeterminations be frozen until end product values and charges from parent to subsidiary were verified as acceptable.

The review team further stated that LPK and KPC gained monopoly power and thereby destroyed competition, resulting in damages to the U.S. treasury in the millions of dollars.

Most significantly, the Forest Service team recommended that ALP and KPC and their affiliates and co-conspirators be debarred and suspended from future timber sales on the Tongass Forest to allow re-establishment of competition. Debarment should coincide with remaining contract time on long-term sales, with provision to reevaluate debarment after 3 years and periodically thereafter.

The report goes on to analyze a series of problems with current timber management practices which adversely affect the Tongass. First, cutting is concentrated in high-volume stands, and those most easily accessible. Prices paid by the corporations are not determined on the basis of what is actually cut, however, but instead rely on appraised values for timber based on average figures for vast acreages. These averages assume balanced cutting between low-volume and high-volume timber classes within the sales area.

The practice of cutting disproportionately large amounts of prime timber while passing over lower-volume stands has several adverse consequences for the Tongass National Forest. First, the stumpage fees are actually less than should be paid for the timber cut due to the averaging involved in appraising market value. More importantly, the practice of cutting the prime timber first has an unnecessarily intense impact on that part of the forest most valuable as habitat.

A second timber management practice addressed in the Forest Service review team report is the role the 50-year contract holders are given to "pick and choose" the timber stands to be appraised for harvest in each 5-year period. Apparent abuses of this system include the refusal of low-volume stands as well as valuable salvage timber which has been simply left to rot while logging continues in high-volume stands. The report concluded that the practice of industry selection of sites unduly restricts the Forest Service and hinders proper management of the Tongass.

Finally, practices concerning how environmental consequences of a given timber sale are reported was called into question by the Forest Service review team. Under current management practices, a single Environmental Impact Statement can be filed covering hundreds of thousands of acres to be cut during a 5-year period. The review team concluded that such blanket Environmental Impact Statements and Environmental Assessment Reports do not allow truly sensitive areas the appropriate level of intensive resource management expertise.

Another finding of the Forest Service review team was that the volume of utility logs cut during the 1960-75 period was never properly charged to the ALP contract. Contract provisions required the Forest Service to charge this volume against the guaranteed sale volume but it was never done.

Forest Service Chief R. Max Peterson submitted for the Weaver oversight hearing record a listing of actions the Forest Service had taken on the recommendations of the Reid Brothers lawsuit review team. Some of the more significant actions are summarized in the following paragraphs. Some recommendations, notably those on long-term contract modifications, were not addressed, and it is assumed they have not been acted on.

With regard to the recommendation by the Reid Brothers lawsuit review team to freeze unresolved 5-year stumpage rate redeterminations, the Forest Service eventually decided that ALP and KPC qualified for emergency rate redeterminations, and rates were reduced substantially, as has been discussed elsewhere.

The recommendation that damages due the government be determined resulted in a draft plan to recover damages that was submitted to the Justice Department in late 1982. Potential damages due the government were $33.3 million inflicted before 1975 and $43.2-$48.2 million after 1975, for a total ranging from $76.5 million to $81.5 million.

In response to other recommendations, the Forest Service has taken some actions to tighten timber sale bid procedures.

Debarment action has not been taken against KPC and APC as recommended. The Justice Department's continuing investigation was given as the reason.

Justice Department Actions

A Justice Department representative, H.F. Furth, also testified at the Weaver oversight hearing. The Justice Department, after reviewing the Reid Brothers case, decided not to try to obtain antitrust injunctive relief or recover damages on behalf of the United States. The Department concluded that the economic power of the two companies derives principally from their operation of the only two pulp mills in Southeast Alaska and from their 50-year contracts with the Forest Service. Any antitrust remedy involving cancellation of long-term contracts would require evidence of more substantial, and more recent antitrust violations than Justice Department investigation uncovered. The Department also considered that a court would be reluctant to order any relief that might result in suspending the operations of either company's pulp mill, because that would result in unemployment. The Department concluded that there was no basis for criminal proceedings because the 5-year statute of limitations period had passed. With regard to recovering damages under antitrust laws, the Department concluded there was no basis because the 4-year statute of limitations period had passed.

Mr. Furth noted that the Civil Division of the Justice Department is still reviewing claims of the Forest Service against the companies based on fraud and breach of contract. The time period for filing a fraud lawsuit is longer than for an antitrust suit. Since stating that it had concluded antitrust investigations, the Justice Department in June 1983 said it had reconsidered and was once again investigating the activities of the two major companies and their subsidiaries. In May 1984, the press reported that the Justice Department had decided against filing antitrust lawsuits against ALP and LPK, even though the Department found aspects of the companies' operations "troubling" and was concerned that ALP documents had been destroyed days before investigators sought to review them.

Timber Supply and Demand Report

Section 706(a) of ANILCA states that the Secretary of Agriculture will monitor timber supply and demand in Southeast Alaska and report annually on the ability of the Tongass National Forest to meet the mandate of 4.5 billion board feet per decade being made available to industry. The executive summary of the 1983 timber supply and demand report (Mehrkens 1984) is as follows.

"Based on the findings of this report, the Secretary of Agriculture concludes the available land base on the Tongass National Forest will be sufficient to maintain the 4.5 billion board-foot timber supply per decade specified in Section 705(a) of ANILCA. Market demand continues as the predominant factor governing the timber use levels on the Tongass NF. On the supply side, measures to reduce timber production costs are being implemented. A sufficient backlog of sold and unharvested timber exists to operate mills at capacity. Market conditions and labor strikes, however, have substantially lowered operating rates. The short-term economic wellbeing of the timber industry depends on improved markets in Japan, and markets now opened in South Korea and the Peoples Republic of China. Greater international competition and cost cutting strategies will continue to characterize the timber industry.

The industry structure, existing capacity, and operating rates are nearly the same as last year--well below capacity. The timber market structure in Southeast Alaska largely reflects the timber management policies of the USDA Forest Service and its objectives to maintain community economic stability. It is primarily governed, however, by export market conditions and the degree of competition from other suppliers. Forest Service management alone has virtually no effect on market demands but must be responsive to export market prices because the value of the timber is based on derived demand.

In comparison to the Pacific Northwest and British Columbia, Alaska generally serves as a residual or last-in, first-out, supplier to Japan's construction timber market. Large adjustments in the supply of hemlock cants occurs as international prices rise and fall. Moreover, the degree of this adjustment is affected by the level of log exports from the Pacific Northwest.

Unlike the hemlock trade in construction grade timber, Alaska is an important supplier of Sitka spruce to the Japanese market, accounting for up to 68 percent of the total spruce trade from North America. Alaska spruce logs and cants are of higher quality and command premium prices.

The demand for forest products remains low; Japan continues to be the principal market for all Alaska wood products. China is the other major market, representing 6 percent of Alaska's log exports and 9 percent of the lumber exports in 1983. In 1983, Alaska's wood products export trade declined 12 percent in value from 1982. This trend is similiar to what occurred in 1982 when lumber exports fell in both volume and value, yet coincided with an increase in volume and total value for log exports.

National Forest timber harvests have declined consistently since 1981. In FY 1983, 250.5 MMBF was harvested (including utiltity volume) down 33 percent from 1982 when 370.7 MMBF of timber was harvested. In 1983, the amount of timber offered for sale fell slightly, 3 percent, to 453.6/MMBF of which 343.5 MMBF was sold or released for harvest. For FY 1984, an estimated 475 MMBF will be offered to industry. An analysis of timber accomplishments shows a slightly higher proportion of high quality, old-growth stands (30-50 MBF/AC.) has been offered and sold than what was scheduled in TLMP. This better timber helped offset lower end-product values caused by market conditions.

In contrast, Southeast Alaska Native corporations and the Bureau of Indian Affairs have steadily increased their harvests from 13 percent of the total Southeast timber harvest in 1980 to 41 percent in 1983. Over the past 3 years (CY 1980-82), the Native timber harvest in Southeast Alaska has risen from an estimated 70.3 MMBF to 216.5 MMBF.

Southeast Alaska has imported logs from British Columbia which were surplus to their domestic manufacturing needs. The future of this trade is uncertain, but imports in 1984 are expected to continue at about the same level as 1983. Because of reduced demand, log imports from British Columbia and National Forest timber supplies, Native corporations have a non-marketable supply of pulp-grade timber. Consequently, the corporations exported as many of their pulp grade logs as possible during 1981 to 1983 or left this lower grade timber in the woods.

In addition to the trade displacement from British Columbia and a severe drop in the market, timber purchasers have bid on National Forest timber sales during favorable markets at rates substantially above appraisal prices. These factors have forced some companies in Alaska to stop operating, triggering contract defaults and potential bankruptcies. The Forest Service has implemented policies to help alleviate this problem, but not all operators have been able to take advantage of contract extensions or stumpage rate redeterminations.

Logging and roading costs have increased steadily over the last decade. The causes have been inflation, stricter environmental controls, a greater proportion of permanant or specified roads (designed and constructed to engineering specifications), and a management objective of dispersed harvests. This rise in costs has led the Forest Service to analyze cost saving measures based on harvest unit size, utilization requirements and road standards. The development of transportation system and timber transfer sites are major costs associated with harvesting Alaska's old growth forests. However, greater average costs are associated with harvesting and yarding systems. The declining costs in 1982 and 1983 reflect the effort to lay out sales along established road systems and reduced road standards.

Nearly half the timber available for harvest from the Tongass National Forest has been used to produce dissolving pulp. If Alaska's traditional world market for dissolving pulp continues to shrink, while remaining uncompetitive in domestic paper pulp markets, there will be additional upward costs pressures on all Southeast Alaska timber based industries. Unless a major new market can be found for Southeast Alaska's pulp grade logs and, to a lesser extent, western hemlock sawtimber, growth prospects for all of Alaska's timber based industries are dampened."

CONCLUSION

Despite the large size of Southeast Alaska's Tongass National Forest (16.9 million acres), only a small portion (4 percent) is considered to have commercially important timber. These timber areas, often near tidewater at low elevations, or along valley bottoms of major river drainages, provide critical habitat for fish and wildlife. It is on this small, but important, component of the Tongass Forest that the wildlife and fisheries/logging debate centers. Clearcutting, the method of timber harvest in Southeast Alaska, is permanently converting high-volume, old-growth forest with high wildlife values to second-growth forest of much less value to wildlife species dependent on old growth. Of special concern are long-term effects of scheduled cutting on Sitka black-tailed deer; present knowledge suggests that deer numbers in many popular hunting areas will be reduced 60-80 percent during the first rotational cutting period of approximately 100 years. Additional research is necessary to determine long-term effects on fish.

A major question to be addressed is whether a highly subsidized timber industry should be maintained in its present form on public lands in Southeast Alaska to provide jobs and support an export trade, considering the adverse impacts to wildlife and other values. It seems especially important to address this now when timber prices are depressed, timber harvest is at a low level, and communities have adjusted to some degree to these conditions. Employment alternatives to consider include increased timber harvest on Native lands, increased timber harvest and processing for use in Alaska by small, independent operators (perhaps subsidized to some degree), increased tourism, increased mining, and maintenance and perhaps expansion of various types of guiding.

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A Plan For Today And Tomorrow —The Tongass Land Management Plan

United States
Department of
Agriculture

PREPARED BY
Forest
Service

Alaska Region
Leaflet
R10-MB-19

THE TONGASS NATIONAL FOREST AT A GLANCE

PHYSICAL

Location: Alexander Archipelago, southeast Alaska.

Size: 500 miles long and 100 miles wide, encompassing hundreds of islands, with a total coastline in excess of 11,000 miles.

Area: 16.78 million acres; 26,221 square miles or larger than the State of West Virginia.

RESOURCES

Recreation: 500 miles of trails; 155 public use cabins; 3,585,000 Recreation Visitor Days.

Wildland Areas: 14 Wilderness areas and 2 National Monuments totaling 5.6 million acres. Areas managed in an unroaded condition total an additional 4 million acres.

Fish: The Tongass contains over 20,000 miles of fish streams. An estimated 90 percent of all salmon harvested in southeast Alaska were hatched in the streams and lakes of the Tongass. In 1986, 53.8 million salmon were harvested from waters adjacent to the Tongass. A record 59 million salmon were harvested in 1985.

Wildlife: Viable populations of numerous wildlife species inhabit the Tongass. Indeed, species that are threatened or endangered elsewhere, such as the grizzly bear and bald eagle, thrive here. The grizzly bear and bald eagle populations on the Tongass are the largest in the United States.

Timber: 139 billion board feet of standing timber; 290 million board feet harvested from Tongass in 1986.

EMPLOYMENT AND INCOME (1986 Estimates)

Fisheries: 3,067 direct and induced jobs with a value of $79.9 million.

Timber: 3,093 direct and induced jobs with a value of $80.1 million.

Tourism: 4,342 direct and induced jobs with a value of $71.1 million.

A Plan For Today And Tomorrow—The Tongass Land Management Plan

In Brief

Increased demands upon the renewable but finite resources of the Tongass National Forest have created conflicts. The Forest Service has been managing the resources of the Tongass since 1907 and understands the Forest's capabilities.

The Tongass Land Management Plan, produced by the Forest Service after extensive public involvement, was released in 1979. The plan was developed using a process that emphasized a systematic, balanced, and sensitive approach to resource management. Without a continuing comprehensive plan that provided workable compromises, participants felt increased conflicts could result in lost jobs and lost opportunities. The planning process put heavy emphasis on the participation of all interested parties in the analysis of issues and development of solutions. The plan continues to be the primary means for addressing conflicting public values about management of Tongass National Forest resources.

The amount and effect of Wilderness designation, the amount and location of logging, the effect of activities on wildlife and fisheries, and community stability and future jobs were key concerns addressed in the Forest Plan. The Alaska National Interest Lands Conservation Act (ANILCA) depended upon the Forest Plan for most of its resource information and recommendations.

Wildlife and fisheries values were identified, and under the plan, management objectives were set to provide for the long-term welfare of all wildlife and fish species. Harvest levels of deer and fish from the Tongass are currently very high.

For the most part, efforts at providing opportunities for the development of mining and tourism industries have been successful.

Our Nation's Largest National Forest

The Tongass National Forest is the largest National Forest in the National Forest System, extending over more than 16.9 million acres, or nearly 85 percent, of southeast Alaska. Glaciers, volcanic processes, and a cool maritime climate yielding some 100 inches of precipitation annually have sculptured the "Alaska Panhandle." Today southeast Alaska is characterized by hundreds of large and small islands, rugged coastlines, tidewater glaciers, an intricate system of fiords and waterways, high mountains, vast spruce and hemlock forests, and countless rivers and streams. Fish and wildlife resources are varied and plentiful. Some of the more commonly known wildlife include Sitka black-tailed deer, brown and black bears, bald eagles, wolves, moose, and mountain goats. Five species of Pacific salmon spawn here.

Within this setting, human settlement and use of the Tongass National Forest has evolved. From the region's earliest settlement by Tlingit and Haida Indians, use of the area's natural resources has been the primary focus of human activity. Today, timber, fishing, mineral exploration and development, tourism, recreation, and subsistence are the major activities which rely on southeast Alaska's, and thus the Forest's, resources.

Given the responsibility of managing some of the finest of the Nation's forest lands, the Forest Service has sought to protect and develop the region since the Tongass was established in 1907. The Forest Service in Alaska, which started out with a three-man staff, today employs women and men in such diverse resource fields as wildlife and fisheries biology, landscape architecture, archaeology, forestry, hydrology, and engineering, to name a few. The agency has been instrumental in grappling with and finding workable compromises to the challenges facing the region.

In the early years, meeting the needs of the local people and the Nation was relatively simple. Conflicts among Forest users were few. Indeed, there was general agreement that the Tongass needed more industry to help diversify and stabilize the "boom-bust" cycles associated with the fishing and mining industries.

Since World War I, with outspoken support from local residents, the Alaska Territorial Government and the Federal Government sought to promote the economic potential of the region through the development of a timber industry. This commitment to the development of a region was not unlike earlier efforts of our government in such programs as the Erie Canal, the trans-continental railroads, the Bonneville Power Authority, the Tennessee Valley Authority, and the Rural Electrification Program.

During this same period, America experienced unprecedented growth and prosperity. Americans had more leisure time and money to spend. Steadily, values began to change. More and more people began to feel that National Forest management should put more emphasis on non-commodity uses, such as Wilderness. As the population and demands of the country grew, conflicts between different users of all of the National Forests increased. Despite its isolated location, the Tongass

was not insulated from these changing values and resulting conflicts. If anything, the relatively undeveloped character of southeast Alaska attracted more attention than many other areas of the Nation. By the mid-1970's, it became clear that a process was needed to develop ways to minimize the conflicts arising from the increased demands on the renewable but finite resources of the Tongass. A way was needed to balance both the needs and desires of the citizens of southeast Alaska and the Nation. Short-term compromises and piecemeal plans would not work. A comprehensive, long-term, thoroughly thought-out way of dealing with resource conflicts was necessary.

To meet this need the Tongass Land Management Plan was developed.

The Tongass Land Management Plan—Designed To Meet The Needs Of The Citizen

The Tongass Land Management Plan was the first comprehensive forest plan in the country that was based upon the National Forest Management Act of 1976.

The key to developing a plan that would be accepted by the many and varied interests who had a stake in the Tongass was getting people involved in the identification of issues and their possible solutions. Without this valuable exchange of information, ideas, feelings, views, and needs, the plan would have been unusable. Representatives from a wide range of communities, labor groups, environmental organizations, state and Federal agencies, Native corporations, industry associations, and elected representatives from local, state, and Federal levels, were instrumental in defining the issues that would be addressed in the Forest Plan. As might be expected, opinions of how the Tongass should be managed varied considerably. The majority preference of the national public for southeast Alaska was to limit development and preserve the region's fish, wildlife, and other wildland values through legislated Wilderness. An opposing view held that the national interest could best be served by developing the region's mineral and timber resources to help satisfy the growing needs of the Nation.

People living within the region were divided about the course of action that would best meet their needs and desires. Some felt that their personal lifestyle was being jeopardized by development, while others felt that development was essential for them to live in southeast Alaska. But when people were asked why they lived in southeast Alaska, the responses were surprisingly similar. In short, many people chose to live in southeast Alaska because they believed the region offered them opportunities to enjoy a way of life unattainable elsewhere.

Beginning in January of 1977, six task forces composed of specialists from many State and Federal agencies began a major effort to gather and analyze resource information. Because of its importance, the task forces sought the best resource information available for use in the development of the Plan. By the spring of 1978, their work was completed.

The task of reconciling the available resources with the wants and needs of the many interests, and then coming up with viable management alternatives, was not an easy one. A team made up of representatives from the Forest Service and the State of Alaska's Department of Fish and Game and Department of Natural Resources was chosen to perform the task. Public involvement in Tongass planning was complicated by the simultaneous and interrelated activities of Congress, the Carter Administration, and several Forest Service planning activities. All were attempting to resolve similar issues.

After the efforts of the Forest Service and many cooperators, the Tongass Land Management Plan, the first in the Nation, was completed in March of 1979.

TLMP—Has It Worked?

Although many concerns were addressed in the Forest Plan, four were of major interest:

- How much Wilderness was needed, and how would this affect local communities and jobs?
- How much logging would take place on the Tongass, and where?
- How would the Forest Plan affect wildlife and fisheries?
- How would the Forest Plan affect community stability and future jobs in the resource sector?

Each of these topics were thoroughly analyzed, discussed with many different groups and people, and finally compromises were hammered out.

How much Wilderness was needed, and how would this affect local communities and jobs?

The Tongass contains over 12.7 million acres of roadless and undeveloped lands. National, regional, and local groups expressed either strong support or firm opposition to substantial allocation of these undeveloped areas to Wilderness management. However, most groups agreed that Wilderness designation was proper for some areas of the Tongass. The issue centered on which areas and how much.

The Forest Plan recommended 17 Wilderness areas encompassing 5.4 million acres. Included were portions of Admiralty Island, prized for its brown bear and eagle populations and its fine timber, and Misty Fiords with its cloud-shrouded cliffs and rich mineral deposits. The Forest Plan had to provide alternatives that fairly mixed the need for Wilderness with the local needs for timber for jobs, and the national need for strategic minerals. Molybdenum, an important industrial mineral, was found in the Misty Fiords area. Timber, gold, and silver were important resources located on Admiralty Island.

Based upon the recommendations and findings in the Forest Plan, Congress designated 14 Wilderness areas encompassing 5.4 million acres in ANILCA. This acreage included 84 percent of specific areas included in the 4.5 million acres requested for Wilderness by the Southeast Alaska Conservation Council, the leading preservation advocacy organization in southeast Alaska.

As part of the compromise, Congress authorized a funding mechanism called the Tongass Timber Supply Fund. The Fund was authorized to offset the economically marginal nature of 112 million board feet that was necessary to compensate for timber production that would be lost through Wilderness designation, areas set aside as roadless, and for amenity resource consideration in areas open for harvest. Congress also guaranteed access to the mineral deposits within the Admiralty Island and Misty Fiords National Monuments.

How much logging would take place on the Tongass, and where?

Before the Forest Plan was developed, it was suggested that the Tongass could provide 3.5 to 7 million acres of Wilderness and roadless areas, supply an annual timber harvest of 535 to 660 MMBF per year, and still protect fish and wildlife habitat and recreation and scenic values.

As a result of Forest Plan development the Forest data base was enlarged and refined. The new information clearly indicated less flexibility than originally projected. This was not good news. The Tongass could not accommodate all that was being asked of it. Difficult compromises needed to be made.

The need to maintain timber-related jobs was recognized. Thus, there was general support of making 450 MMBF of National Forest timber available annually to maintain current timber-related employment opportunities in association with Wilderness recommendations.

Given different amounts of Wilderness, the alternatives presented in the Forest Plan gave a possible harvest range of 316 to 407 MMBF per year. To achieve the 450 MMBF annual harvest level, additional yields from marginal timber lands were necessary. However, to harvest these lands would require additional investments.

In the end the Forest Plan recommended timber harvest in the range of 300 to 450 MMBF per year, with the goal to maintain the current level of timber-related employment within the context of the total timber available from other land ownerships.

Congress accepted most of the Forest Plan recommendations dealing with Wilderness and timber and fashioned ANILCA after them. Specifically, ANILCA provides for 4.5 billion board feet per decade and the Tongass Timber Supply Fund. TLMP determined where and to some extent when this harvest could occur over a 10-year period.

Based upon the TLMP and ANILCA, the acreage to be harvested is about one-tenth of 1 percent of the total area of the Tongass each year for the next 100–120 years. Annual employment in the timber industry since 1980 has averaged about 2,300 direct jobs, with annual earnings close to $100 million.

Today, the timber industry in southeast Alaska has been hit hard by poor markets, but sufficient supplies of available timber exist to meet their demands. The greatest challenge that confronts the industry is continuing to stay in business while markets gradually improve.

How would the Forest Plan affect wildlife and fisheries?

Wildlife and fish represented key values on the Tongass, both as renewable resources of significant commercial and recreational value and as a natural index of ecological well-being. Indeed, it was a rare individual who argued in favor of activities which were recognized as seriously destructive to fish or wildlife. However, conflicting views arose from the contradictory information available concerning the impact of various Forest management activities on wildlife and fish.

Major concerns were voiced that timber harvesting, and in specific locations mining, might degrade or destroy wildlife and fisheries habitat. Although earlier Forest Service policies had assured the maintenance and enhancement of habitat, there was the belief that protective allocation of land would provide the best way to avoid even the possibility of habitat damage or destruction.

Fish and wildlife concerns were thus a vital factor in balancing the use demands upon the Forest. Forest Service policy stated that the biological productivity of fish streams was to be protected in all allocation and management decisions. However, other issues such as the amount of deer winter range could be negotiated through the planning and public involvement process where wildlife and economic values could be weighed.

The Forest Plan placed 40 percent of identified high-value wildlife habitat areas and 46 percent of the high-value fisheries habitat of the Tongass under recommended Wilderness or primitive unroaded areas. The remaining high-value habitat areas were to be subject to varying degrees of modification from management activities.

The Plan also provided a unique process of protecting important fish and wildlife habitat and areas having high aesthetic values. A total of 517,000 acres of the commercial forest land that was allocated for harvest were removed from harvest consideration to protect fish and wildlife or were to be harvested over extended periods (100-120 years). Standards and guidelines for the protection of fish and wildlife were articulated in a document called the Southeast Area Guide. ANILCA reemphasized the importance of fisheries habitat and cooperative fisheries planning.

Southeast Alaska fishermen have reaped large harvests of salmon in recent years, with a record catch of 59.9 million salmon in 1985. The preliminary harvest figure for 1986 is 53.8 million salmon. The number of deer taken by hunters in 1986 is estimated at 15,000, a dramatic increase from the 1980 level of 4,800. No apparent serious threats exist to long-term fish and wildlife production from the Tongass National Forest under present management direction. Indeed, under this direction an estimated 70 percent of the identified deer winter range will still exist in 2079. Research in forest ecosystem relationships continues to ensure that the best tools and techniques are used in management of wildlife and fisheries habitat.

How would the Forest Plan affect community stability and future jobs in the resource sector?

At the time the Forest Plan was being developed, southeast Alaska was dependent on the government and timber and fishing industries to supply jobs and economic stability. Mineral production, construction, and the tourism industry, while holding some future promise, were considered of lesser importance to the economic stability of the region.

The fishing and fish-processing industry showed little sign of expanding. Since the Forest Service regarded stream productivity as a value which must be protected, allocation decisions were not expected to hurt fish production. The policy is, simply stated, no long-term fish habitat productivity loss will occur from other Forest activities.

Tourism and minerals development, though a potential source of economic stability, offered southeast Alaska communities uncertain opportunities for major economic diversification.

A major emphasis in the Forest Plan was to maintain employment in the timber and fisheries industries, while not closing opportunities for future development in the tourism and mining sectors. Congress, through ANILCA, confirmed this emphasis. In large part these efforts have been successful.

In the end, little economic or population growth as a direct result of National Forest management decisions was expected.

Today, government continues to be the major employer of the region. In the natural-resource-related fields, the timber, fisheries, and tourism industries all make major contributions to the economy of the region.

Staying Responsive To Changing Needs

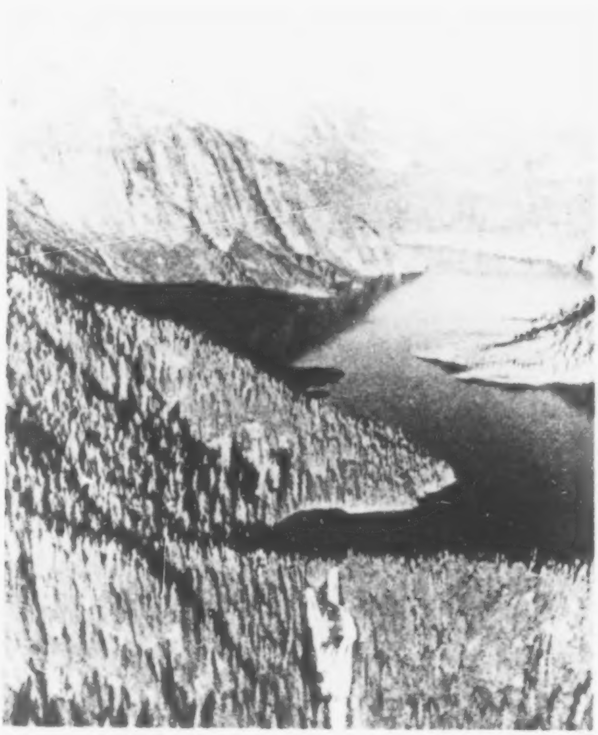
Although the Forest Plan was designed to last 10 years, it also provided enough flexibility to meet changing conditions.

As mentioned, ANILCA and the Forest Plan put 40 percent of high-value wildlife habitat areas and 46 percent of high-value fisheries habitat into Wilderness or unroaded, primitive areas. In 1983, the Alaska Department of Fish and Game requested that an additional 72 high-value wildlife and fisheries habitat areas be deferred from timber harvest consideration until the Forest Plan was revised. Where program flexibility permitted, the Forest Plan amendment deferred scheduling of timber harvesting in 49 of the areas until the next periodic review of management activities.

The changing conditions in the 5 years since the Forest Plan was approved in 1979 made some amendments to the Plan necessary. Critics and supporters of the Plan participated freely in the development and writing of an Evaluation Report that scrutinized how well the original goals of the Forest Plan were being accomplished. Using the conclusions and recommendations in the Evaluation Report, the Forest Plan was amended in 1985.

Revision of the Forest Plan has started, and is slated for completion in 1989.

A Citizen's Guide To Revising The Tongass Land Management Plan



United States Department of Agriculture
PREPARED BY Forest Service
Alaska Region Leaflet R10-MB-23

Tongass National Forest
Juneau Ranger District
8465 Old Dairy Road
Juneau, AK 99801
Attention: Don Lyon, Team Leader

A Citizen's Guide To Revising The Tongass Land Management Plan

A SECOND LOOK

National Forest land managers, with participating publics, make difficult decisions about how to best manage public lands to produce the goods and services people desire. These decisions are significant and far–reaching and they affect you. Decisions about how to manage the Tongass National Forest were made in 1979 when the Tongass Land Management Plan (TLMP) was implemented. To ensure that TLMP and other forest plans continue to be responsive to citizens' concerns, the 1976 National Forest Management Act (NFMA) requires forest plans to be revised on a "10–year cycle or at least every 15 years." In compliance with these regulations, TLMP is being revised. The purpose of this publication is to help you understand what the revised TLMP will mean to you, how you can get involved, what the steps are for revising the plan, who is responsible for the revision, how the revision effort will be organized, and when steps for revising TLMP will be completed.

Why Should You Get Involved?

Do you hunt? Do you fish? Do you cut fire wood? Do you enjoy the scenery? Are you concerned what goods and services are provided by the Tongass? Do you care what the Tongass National Forest will look like for future generations? Then you should get involved in revising the Tongass Forest Plan.

Whether you live in southeast Alaska or not, you will be affected, either directly or indirectly, by the revised Tongass Forest Plan. Why? Because the revised Forest Plan will guide, well into the future, many activities on the Tongass – what resources should be preserved; where and how much timber should be harvested; which recreational developments should occur, to name a few. These activities can affect not only the natural resources on the Tongass but also employment and income in southeast Alaska. In 1986, the Tongass supported over 10,500 direct and induced jobs in fishing, tourism, and timber. These jobs generated more than $231 million in earnings.

How Can You Get Involved?

Future management of the Tongass will result from the partnership between you and the Forest Service. You can help influence this management by participating in the revision process. There will be many opportunities to participate throughout development of the revised TLMP. You can start by sending in the coupon in this brochure. We will add you to our mailing list and keep you informed of activities and future opportunities to become involved. Remember, key to success of the revision effort is the partnership between you and the Forest Service. All voices must be heard and blended together to develop a final revised Tongass Forest Plan.

How Will the Tongass Forest Plan Be Revised?

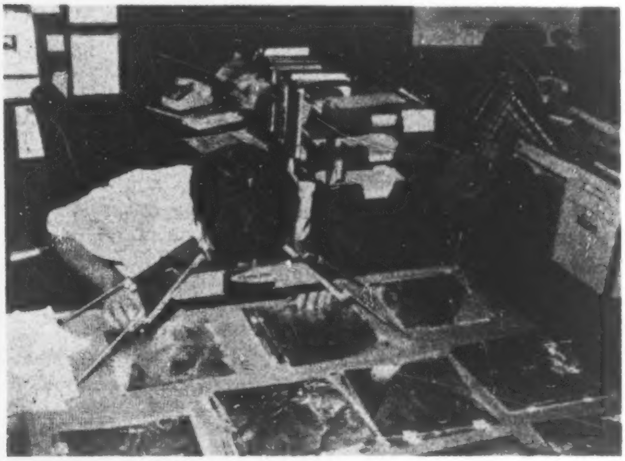
The current Tongass Forest Plan will be revised by following a series of 10 steps required by the NFMA. These steps are key ingredients for determining how the Tongass will be managed in the future. By following these 10 steps, the Regional Forester can, with your involvement, make a decision about how to best manage the Tongass National Forest.

Step 1 – Identify Public Issues, Management Concerns, and Resource Opportunities. The revised TLMP is intended to be a set of management actions which help solve present or anticipated problems on the Tongass. Consequently, emphasis during the revision will be placed on issues and concerns of major importance. Issues are identified from your comments while management concerns are identified from Forest Service personnel and other agency sources. Management opportunities differ from issues in that they include suggestions for resolving problems. To begin development of public issues, the Forest Service will distribute preliminary issues for your review and comment. After your review and comment, a final list of issues will be developed resulting from your concerns. These major issues are the driving forces which shape the revised plan. They serve as a contract between you and the Forest Service as to what will be addressed during the revision process. This first step is the most important since all other steps build upon the issues that are identified. If you cannot be involved throughout the entire process you can still make a very important contribution during this first step.

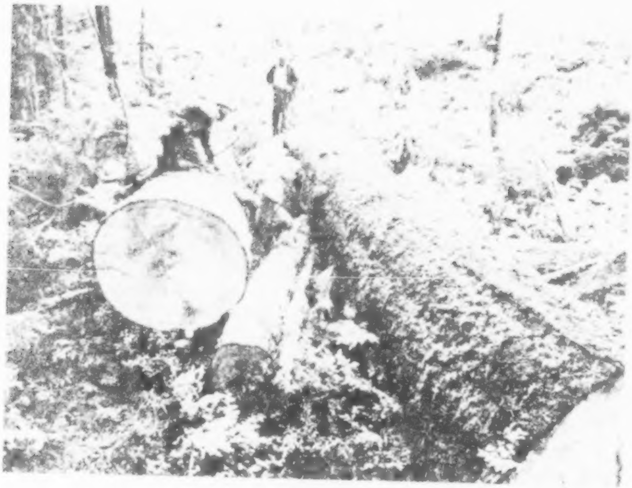
Step 2 – Develop Planning Criteria. Planning criteria help guide the way that various steps of the revision will be completed. These criteria are based on many sources including the issues you helped identify. Other sources for criteria are: the current TLMP, existing laws, Executive orders, regulations, agency policy, the Alaska Regional Guide, plans and programs of other Federal agencies, the State of Alaska, local governments, and Native Corporations, among others.

Step 3 – Collect Resource Information. The amount and detail of resource information the Forest Service collects depends on the problems identified from the issues you helped define in Step 1. Information will be collected for all forest resources – vegetation, soil and water, fish and wildlife, minerals, recreation, and timber. Cultural and social information will also be collected. The way forest resources respond to management activities and interact with each other is an important part of this step. Information is also needed about the cost of doing business and the value of forest outputs to individuals and the surrounding economy. In turn, all of this information will be used to complete other revision steps such as the analysis of the management situation, formulation of alternatives, monitoring and evaluation, and forest plan implementation. Forest resource information will be incorporated into a Geographic Information System (GIS), an automated resource database and mapping system. The system will provide information used in the forest planning computer model, FORPLAN. FORPLAN is simply a computer representation of the Forest. The model is used to explore the Forest's productive potential by looking at what the Forest can and cannot produce in specific areas.

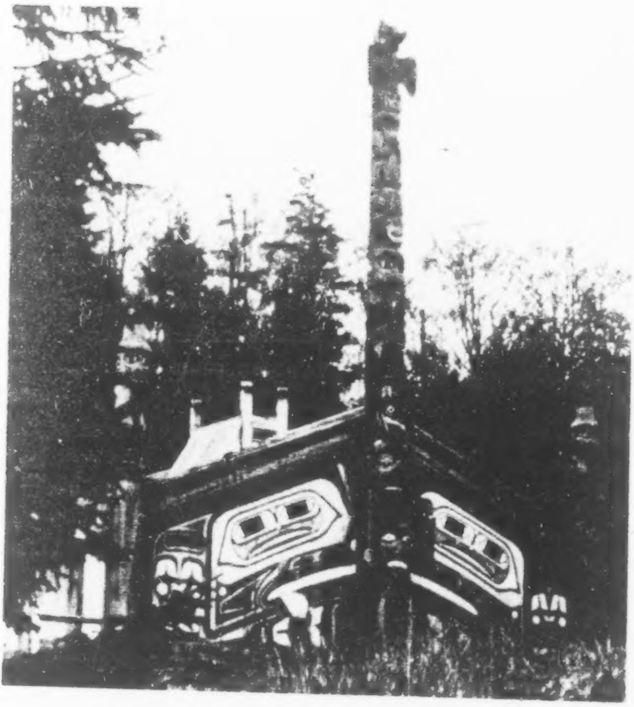
Step 4 – Analyze the Management Situation. The information collected in Step 3 is used to determine the Forest's ability to supply goods and services. This ability is then compared to your issues and needs to help identify where changes may be neeeded in current management direction. This information also provides the basis for formulating alternatives to solve management problems. There are three major components of the analysis of the management situation that will be addressed in the revision effort: a) a description of the current management situation on the Tongass; b) the development of resource demand projections; and c) an exploration of the Forest's physical, biological, and technical capabilities.



Step 5 – Formulate Alternatives. Information gathered during the first four revision steps will be combined and analyzed to formulate a broad range of alternative ways to solve the problems you helped identify in Step 1. These alternatives are developed to satisfy your issues and to explore management opportunities. A "No Action" alternative, representing continuation of current management direction, will be developed. This alternative will provide the basis for assessing the need for, and degree of, change in the existing Tongass Forest Plan. As a minimum, the environmental, economic, and social consequences resulting from long–term implementation of each alternative will be described. The timing and flow of resulting goods and services will also be outlined as will associated costs and benefits, resource management standards and guidelines, mitigation measures, and monitoring requirements.



Step 6 – Estimate Effects of Alternatives. Estimated effects of alternatives are the expected consequences of implementing an alternative. Specifically, the physical, biological, economic, and social effects of implementing each alternative will be estimated. This will provide you and the decision maker with a basis for comparing alternatives.



Step 7 – Evaluate Alternatives. During this step, each alternative will be evaluated and compared to determine how well it satisfies the issues you helped identify in the first step. This will provide the three Tongass Forest Supervisors a basis for recommending a preferred alternative to the Regional Forester.

Step 8 – Recommend A Preferred Alternative. The three Tongass Forest Supervisors will review the evaluation of alternatives and recommend a preferred alternative to the Regional Forester. When approved by the Regional Forester, a draft environmental impact statement (DEIS) and draft revised Tongass Forest Plan will be distributed for your review and comment. All alternatives, and the long–term consequences of implementation, will be described in the DEIS. Only the preferred alternative, long–term consequences of its implementation, and direction for implementing this alternative will be outlined in the draft revised Tongass Forest Plan.

Step 9 – Approve the Revised Tongass Forest Plan. After your comments have been incorporated, a final environmental impact statement and final revised Tongass Forest Plan will be developed for the Regional Forester's approval. Following selection and approval, the reason this decision was made will be documented in a Record of Decision. At this step in the process, and after you have had another opportunity for review, the revised Forest Plan will be implemented. Implementation is the process of translating activities (management prescription) into on–the–ground results in order to achieve revised Tongass Forest Plan goals and objectives. It is accomplished through project scheduling, analysis, budget development, execution, and administration.

Step 10 – Monitor and Evaluate. Monitoring and evaluation are intended to help determine how well the revised Plan direction is being implemented. This step is also intended to determine if changes are needed in this direction through future amendments or revisions.

Who is Going To Revise The Forest Plan?

A team of many specialists representing all resources and disciplines on the Tongass National Forest, will work together to revise the Forest Plan. By working together, rather than working independently, this Interdisciplinary Team (IDT) will avoid emphasizing one resource over other resources while revising the Plan. Positions that make up the IDT are listed.

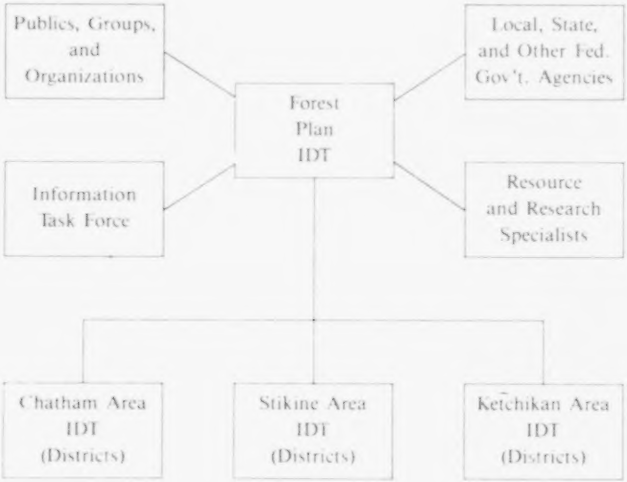
IDT Leader
Planner/FORPLAN Analyst/Database Manager
Economist
Social Scientist/Public Affairs Specialist
Recreation Planner
Landscape Architect
Archaeologist
Wildlife Biologist
Fish Biologist
Timber Resource Planner
Soils and Water Specialist
Minerals Specialist
Lands Specialist
Transportation Planner
Clerical Support

Along with the revision IDT, another very important participant is of course. . .

. . .YOU.

How Will The Revision Effort Be Organized?

The Tongass National Forest is divided into three administrative Areas: Ketchikan, Chatham, and Stikine. These administrative Areas are further divided into Ranger Districts. The revised Plan for the Tongass will address issues on all Areas and Ranger Districts. Areas and Ranger Districts, along with public, government, and research organizations, will be directly involved throughout the process to ensure the revised Plan is responsive to local conditions. The organizational structure is designed to increase participation in the planning process and to help ensure local ownership in the revised TLMP.


Publics, Groups, and Organizations
Local, State, and Other Fed. Gov't. Agencies
Forest Plan IDT
Information Task Force
Resource and Research Specialists
Chatham Area IDT (Districts)
Stikine Area IDT (Districts)
Ketchikan Area IDT (Districts)

REPLY:

Tongass National Forest
Juneau Ranger District
8465 Old Dairy Road
Juneau, AK 99801

Attention: Don Lyon, Team Leader

___ Yes, I would like to be on your mailing list. My name and address is printed below.

Name ______________________________

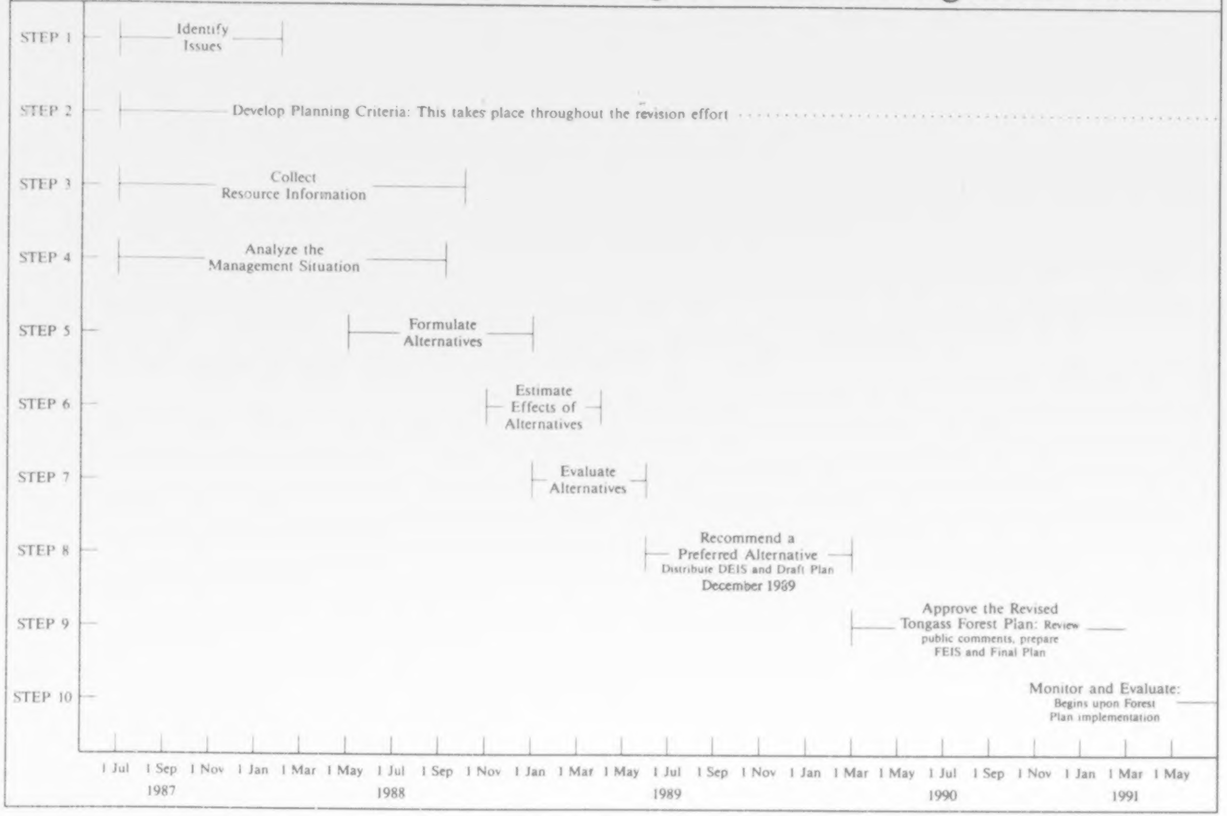
Address ______________________________

City ______________________________

State ______________

Zip Code ______________

A Timeline for Revising the Tongass Land Management Plan



TONGASS NATIONAL FOREST AT A GLANCE

PHYSICAL

Location: Alexander Archipelago, southeast Alaska.

Size: 500 miles long and 100 miles wide, encompassing hundreds of islands, with a total coastline in excess of 11,000 miles.

Area: 16.78 million acres; 26,221 square miles or larger than the State of West Virginia.

RESOURCES

Recreation: 500 miles of trails; 155 public use cabins; 3,585,000 Recreation Visitor Days in 1986.

Wildland Areas: 14 Wilderness areas and 2 National Monuments totaling 5.4 million acres. Areas managed in an unroaded condition total an additional 4 million acres.

Fish: The Tongass contains over 20.000 miles of fish streams. An estimated 90 percent of all salmon harvested in southeast Alaska were hatched in the streams and lakes of the Tongass. In 1986, 53.8 million salmon were harvested from waters adjacent to the Tongass. A record 59 million salmon were harvested in 1985 from waters adjacent to the Tongass.

Wildlife: Viable populations of numerous wildlife species inhabit the Tongass. Indeed, species that are threatened or endangered elsewhere, such as the grizzly bear and bald eagle, thrive here. The grizzly bear and bald eagle populations on the Tongass are the largest in the United States.

Timber: 139 billion board feet of standing timber; 251 million board feet harvested from Tongass in 1986.

EMPLOYMENT AND INCOME (1986 Estimates)

Fisheries: 3,067 direct and induced jobes with earnings of $79.9 million.

Timber: 3,093 direct and induced jobs with earnings of $80.1 million.

Tourism: 4,343 direct and induced jobs with earnings of $71.1 million.

When Will Steps For Revising TLMP Be Completed?

The DEIS and draft revised Plan are scheduled to be released for your review, December 1989. The 10 revision steps are displayed on this timeline so you can see how they overlap and about when we will be asking for your involvement.

Tongass Review

A newsletter for the Forest Plan revision Issue No. 1 September 1987

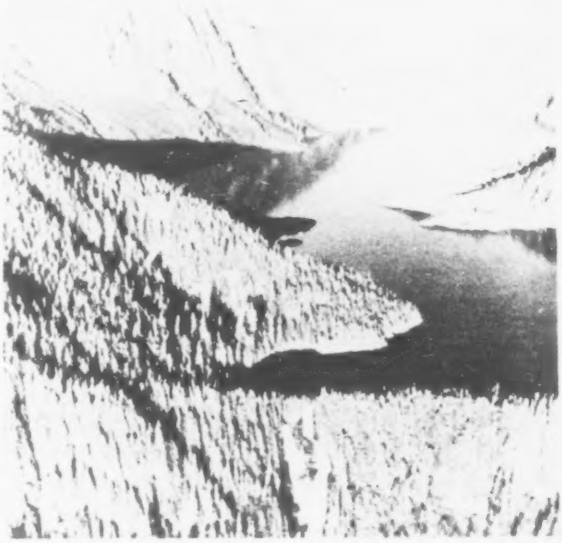
PARTNERS IN THE PROCESS

People from all walks of life participated fully in developing TLMP. There was give and take, speaking and listening, and in most cases, eventual agreement on a workable solution. As with the original TLMP, future management on the Tongass depends on a partnership between you and the Forest Service. You can help influence future management by participating in the revision process.

Throughout this effort, we encourage a continuous dialogue with you. As a direct link to the revision, we will periodically publish Forest Plan Newsletters informing you of the revision progress and opportunities for your participation.

The purpose of this first Forest Plan Newsletter is to alert you to the revision effort. We also include information about how the effort is organized, who is responsible, and the steps for revising the plan. If you wish to continue receiving Forest Plan Newsletters, please return the enclosed reply card.

Remember, the key to a successful revision is the partnership between us. All voices must be heard and blended together as we develop a final Tongass Forest Plan.



Taking a Second Look

The Tongass Land Management Plan (TLMP) was the first National Forest plan developed following the National Forest Management Act. When implemented in 1979, TLMP provided guidelines for managing natural resources on the Tongass National Forest. This first plan was developed to provide workable solutions for the many and complex management problems on the Tongass. It considered all forest resources. Community stability, logging, Wilderness designation, and effects of activities on wildlife and fisheries were major concerns addressed in TLMP.

It took three years of analysis and preparation by many resource specialists to develop TLMP. Although the public was divided about the best course of action, it was felt by most to be a fair and balanced approach to managing the Tongass.

But time brings about change – change in public values, change in market conditions, and change in knowledge about forest management activities and resource interrelations. Because of these changes, the Forest Service is **taking a second look** at management on the Tongass.

On July 13, 1987, Regional Forester Mike Barton approved the Work Plan to guide the TLMP revision. TLMP and amending documents are the first in the nation to undergo a major revision. Once revised, TLMP will be referred to as the Tongass Land and Resource Management Plan or simply, Tongass Forest Plan. Draft Forest Plan documents are scheduled to be completed in December of 1989.

Steps for Revising the Tongass Forest Plan

Managing the Tongass National Forest is a two–fold challenge: recognizing both wildland uniqueness and productivity while being responsive to local, regional and national needs. This is very difficult without an efficient process. The current TLMP will be revised by following a series of 10 steps resulting from NFMA. Using these 10 steps, Mike Barton, Regional Forester can determine the best future management on the Tongass National Forest.

WHEN WILL STEPS FOR REVISING THE FOREST PLAN BE COMPLETED?

The DEIS and draft Forest Plan are scheduled to be released for your review in December 1989. The 10 revision steps displayed on the timeline shows when they will occur and how they overlap.

Step 1 – Identify Public Issues, Management Concerns, and Resource Opportunities. Emphasis during the revision is on issues, concerns, and opportunities of major importance. Issues reflect your comments. Both Forest Service and other government agencies identify management concerns. Resource opportunities differ from issues and concerns in that they are suggestions for resolving problems. Hereafter, issues, concerns, and opportunities are referred to as issues. When finalized, issues are a contract between you and the Forest Service as to what is addressed during the revision process. This first step is the most important. All remaining steps build upon these issues. If you cannot be involved throughout the entire revision, you can make a major contribution here.

Step 2 – Develop Planning Criteria. Planning criteria guide the way various steps are completed. These criteria are based on many sources including the issues you help identify.

Step 3 – Collect Resource Information. The amount and detail of resource information collected depends on the issues. All forest resources – recreation, wildlife, fish, cultural, timber, soil, water, vegetation, and minerals will be included. In addition, we will collect social information. How forest resources respond to management activities and interact with each other is an important part of this step. Information concerning the costs and the value of forest outputs to individuals and surrounding communities is needed. In turn, we will use all of this information to complete other steps such as analyzing the management situation, formulating and evaluating alternatives, monitoring and evaluating, and implementing the Forest Plan.

Step 4 – Analyze the Management Situation. The information from Step 3 is used in determining the Forest's ability to supply goods and services. This ability is then compared to your issues and needs. This helps identify where changes may be needed in current management direction. It also provides the basis for formulating alternatives to solve management problems.

Step 5 – Formulate Alternatives. Information gathered from the first four steps are combined and analyzed. Alternatives are formulated that address your issues and also explore management opportunities.

Step 6 – Estimate Effects of Alternatives. Possible effects are estimated for each alternative. This provides you and the decision maker with a basis of comparison.

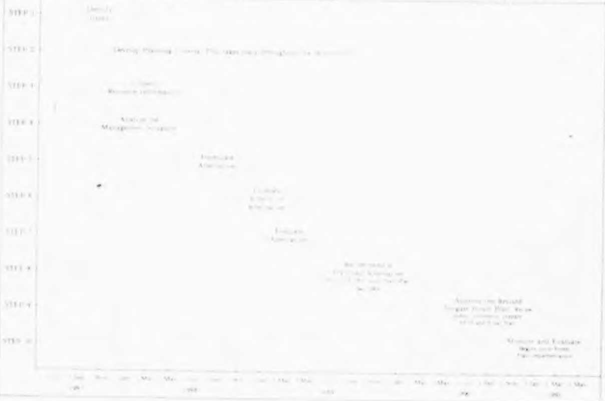
Step 7 – Evaluate Alternatives. Each alternative is evaluated and compared to determine how well it meets the issues.

Step 8 – Recommend A Preferred Alternative. After reviewing each alternative, the Forest Supervisors will recommend a preferred alternative. With approval by the Regional Forester, drafts of the environmental impact statement (DEIS) and Tongass Forest Plan will be distributed for your review and comments. The draft Tongass Forest Plan includes only the preferred alternative, long-term consequences and direction for implementation. All the alternatives we looked at and their long-term consequences will be described in the DEIS.

Step 9 – Approve the Revised Tongass Forest Plan. After your comments are incorporated, a final environmental impact statement and final Tongass Forest Plan will be developed for the Regional Forester's approval. Following another public review, the Tongass Forest Plan will be implemented.

Step 10 – Monitor and Evaluate. Monitoring and evaluating, as a continuing part of the process, help determine whether the chosen direction is meeting Forest Plan goals and objectives.

A Timeline for Revising the Tongass Land Management Plan



WHAT'S NEXT?

The next Forest Plan Newsletter will include a preliminary list of issues. We are developing this list from your responses to previous management activities on the Tongass. We gathered this input from District Rangers, Forest Supervisors, the media, and your Congressmen. You will have the opportunity to review this list and tell us if these issues are, in fact, your issues.

Whether or not you live in southeast Alaska, you will be affected by the Tongass Forest Plan. For the next 10 to 15 years it will guide activities on the Tongass such as:

preserving resources
timber harvesting
recreational development

Your participation is important to us. Please feel free to comment on this and future Forest Plan Newsletters. If you need further information or have questions, please contact:

Don Lyon, Team Leader
Tongass National Forest
Forest Plan Interdisciplinary Team
8465 Old Dairy Road
Juneau, AK 99801

or telephone

(907) 789-3111

Who is Doing the Revision?

A team of specialists, representing all resources and disciplines on the Tongass National Forest, will work together to develop the Forest Plan. By working together, this Interdisciplinary Team (IDT) and Tongass Forest managers avoid emphasizing one resource over another. Included in the IDT are:

IDT Leader
Analyst and Database Manager
Economist
Social and Public Affairs Specialist
Recreation Planner
Landscape Architect
Archaeologist
Wildlife Biologist
Fish Biologist
Timber Resource Planner
Soils and Water Specialist
Minerals Specialist
Lands Specialist
Transportation Planner
Clerical Support

Of course, another very important participant is . . . **YOU.**

HOW WILL THE REVISION EFFORT BE ORGANIZED?

The Tongass National Forest is divided into three administrative areas: Ketchikan, Chatham, and Stikine. These administrative areas are further divided into ranger districts. The Forest Plan for the Tongass will address issues on all areas and ranger districts. Areas and ranger districts, along with public, government, and research organizations, will be directly involved throughout the process to ensure the Forest Plan is responsive to local conditions. This area-wide interest is designed to increase

Tongass Review

Forest Plan Interdisciplinary Team
8465 Old Dairy Road
Juneau, AK 99801

Tongass Land Management Plan Revision

Work Plan: Guidelines for Preparing the Environmental Impact Statement and Revising the Land and Resource Management Plan for the Tongass National Forest

1984

WORK PLAN

for Preparing the Environmental Impact Statement and Revising the Land and Resource Management Plan for the Tongass National Forest

Recommended:

K. W. ROBERTS, Forest Supervisor
Chatham Area

7/13/87
Date

Win Green
WIN GREEN, Forest Supervisor
Ketchikan Area

7/13/87
Date

R. Lynn
ROBERT E. LYNN, Forest Supervisor
Stikine Area

7/13/87
Date

Approved:

G. Lynn Sprague
MICHAEL A. BARTON
Regional Forester, Alaska Region

7/13/87
Date

TABLE OF CONTENTS

Page

I. INTRODUCTION I-1

Introduction. I-1
Crosswalk Between Work Plan and the Draft FSH 1909.12 . . . . I-2

II. ISSUE STATEMENTS II-1

1. Recreation Management II-4
2. Wilderness Management II-8
3. Management of Specially Designated Areas. II-11
4. Wildlife Habitat Management II-14
5. Fish Habitat Management II-18
6. Subsistence Uses and Lifestyle. II-21
7. Regional Community Economic Development and Structure . . II-24
8. Timber Harvest Economics. II-27
9. Coordinating Timber Management Activities with Other Resources II-31
10. Long-term/Short-term Timber Sales Programs. II-35
11. Minerals/Energy Management. II-38
12. Coordination With Other Land Owners II-41
13. Transportation Systems and Road Management. II-44

Attachment 1 - Issues Referred to the Washington Office . . . II-47
Attachment 2 - Issues Referred to the Regional Office II-48
Attachment 3 - Issues Referred to Another Governmental Agency II-49
Attachment 4 - Issues Referred to Project Analysis. II-50
Attachment 5 - Issue-Related Details to be Considered During the Formulation of Forest Plan Alternatives. . II-51
Attachment 6 - Issues that Failed the Screening Criteria. . . II-53

III. PLANNING CRITERIA. III-1

A. Inventory Data and Information Collection III-1
   1. Information Needed to Address the Issues III-1
   2. Preliminary Data Elements for the Forest Plan Database. . III-5
   3. Inventory Data and Information Needs Related to RPA . . . III-20
   4. Information Needs Related to Budget Development III-22
   5. Geographic Information System (GIS) - Overview. III-27

B. Analysis of the Management Situation. III-30
   1. Overview. III-30
   2. Analysis Needed to Support the AMS. III-32
   3. FORPLAN and the Development of the AMS. III-44
   4. Minimum Management Requirements III-47
   5. Timber Policy Constraints III-52
   6. Minimum Implementation Requirements III-53
   7. Forest Constraints. III-53
   8. Management Prescriptions and FORPLAN Prescriptions. . . . III-55
   9. FORPLAN to Estimate the Effects of Management Prescription Implementation. III-57

C. Formulation of Alternatives III-59
  1. NEPA Requirements III-59
  2. NFMA Requirements III-60
  3. Documenting Alternative Formulation III-61
  4. Guiding Principles to Alternative Formulations. III-62
  5. Required Forest Plan Alternatives III-62

D. Estimating the Effects of Implementing the Alternatives . . . III-64
  1. Economic Effects. III-64
  2. Physical and Biological Effects III-69
  3. Social Effects. III-75
  4. Relationship to Forest Issues III-76

E. Evaluation of the Alternatives. III-82

F. Implementation of the Forest Plan III-86
  1. Forest Plan Implementation. III-86
  2. Implementation Scheduling III-86
  3. Consistency Determination III-87
  4. Forest Plan Amendment III-91
  5. Budget Development. III-93
  6. Project Design. III-93
  7. Project Execution and Administration. III-94

G. Monitoring and Evaluation III-95
  1. Overview. III-95
  2. Monitoring. III-95
  3. Evaluation. III-99

IV. ORGANIZATION IV-1

A. Forest Plan Interdisciplinary Team. IV-1

B. Roles and Responsibilities. IV-2
  1. Line Officers IV-2
  2. Forest Plan IDT IV-3
  3. Ranger District Support (IDT) IV-4
  4. Administrative Area IDTs. IV-5
  5. Regional Office Resource Specialists. IV-5
  6. Forest Service Research IV-5
  7. External Groups and Organizations IV-5
  8. Other Governmental Organizations and Information Task . . Forces. IV-6

C. IDT Member Qualifications Statements. IV-6

V. PLANNING PROCESS MILESTONES. V-1

VI. PUBLIC PARTICIPATION PLAN. VI-1

A. Introduction. VI-1
B. Goal. VI-1
C. Objectives. VI-1
D. Techniques. VI-3

VII. NOTICE OF INTENT VII-1

VIII. LIST OF PREPARERS VIII-1

IX. GLOSSARY OF ACRONYMS IX-1

APPENDIX A -- STANDARDS FOR ANALYSIS (FORPLAN ANALYSIS) A-1

APPENDIX B -- EXAMPLE MANAGEMENT PRESCRIPTION B-1

APPENDIX C -- FOREST PLAN CONTENTS C-1

APPENDIX D -- FOREST PLAN EIS REVIEW CHECKLIST (WO LMP) D-1

I. INTRODUCTION

The National Forest Management Act of 1976 (NFMA) prescribed a land and resource management planning process for the National Forest System wherein Forest Plans were developed to provide management direction for a 10-15 year period. In March of 1979, the Tongass Land Management Plan (TLMP) was completed and implemented on the Tongass National Forest. Subsequently, regulations directing the forest planning process were published in the Code of Federal Regulations (36 CFR 219) on September 19, 1979 and, as revised, on September 30, 1982. In the revised regulations 36 CFR 219.10(g) stipulates:

> "A forest plan shall ordinarily be revised on a 10-year cycle or at least every 15 years. It also may be revised whenever the Forest Supervisor determines that conditions or demands in the areas covered by the plan have changed significantly or when changes in RPA policies, goals, or objectives would have a significant effect on forest level programs. In the monitoring and evaluation process, the interdisciplinary team may recommend a revision of the forest plan at any time. Revisions are not effective until considered and approved in accordance with the requirements for the development and approval of a forest plan. The Forest Supervisor shall review the conditions on the land covered by the plan at least every 5 years to determine whether conditions or demands of the public have changed significantly."

Given this new planning direction and the many changes in the management situation, the Forest Plan for the Tongass National Forest is being revised to bring it into full compliance with current NFMA direction. FSH 1909.12 calls for the preparation of "a work plan early in the planning process to guide the development, revision, or amendment of a ... forest plan." In accordance with this direction, this Work Plan describes the planning process associated with revising the Tongass Forest Plan and is based upon the following objectives:

1) A description of the planning process needed to guide the Forest Plan Interdisciplinary Team (IDT) throughout the revision process. This includes identified methods for meeting statutory and national, regional, and local planning requirements, and a description of the particular planning requirement or action being addressed.

2) A detailed description and schedule of planning activities, including a critical path chart or other appropriate technique to schedule planning actions. This includes identified methods for completing activities, expected end-products, and the time needed to complete the process.

3) A description of the skills and organization needed to accomplish the planning activities and the roles and responsibilities of those involved in the Forest Plan Revision.

4) The development of a public participation plan describing: a) key points in the planning process where the Forest Plan IDT will solicit public views and public participation and/or the Forest Plan IDT will release information; b) methodologies for collecting public comment, distributing information to the public, and displaying the comments received and/or the analysis of comments; c) methods the Forest Plan IDT may use to consider and use public comment; d) and a system for providing frequent reply to the public on the use of their information and comments and the progress being made in the planning process.

Though not required, the Forest Plan IDT felt it necessary to identify tentative public issues, management concerns and resource development opportunities (refer to Section II. Issue Statements). As noted in the Issue Statements, this is not intended as a substitute for formal public involvement. Rather, the tentative Issue Statements were simply used by the Forest Plan IDT to help organize the approach to Work Plan development.

In this Work Plan, the Forest Plan IDT describes as complete a Forest Plan Revision process as is currently possible given the information of hand. The Work Plan is deliberately detailed since it assembles all relevant planning direction and information under one cover. The Forest Plan IDT fully expects there will be amendments to the Work Plan as the process unfolds and there is a better understanding of the needs associated with each task, and the form and detail of the revised Forest Plan become more evident. At this time, there are too many unsettled variables to accurately describe the budget requirements. The personnel to be involved in the various steps in the planning process have been described in a general manner, rather than explicitly. While the FSH 1909.12 directs the identification of both budget and personnel requirements, the experience drawn from NFMA planning efforts to date, indicates that explicit identification can only take place as the planning process develops and the Forest Plan IDT has had the opportunity to work closely with each of the Administrative Areas.

To facilitate the revision effort, the Forest Plan IDT recognizes there is need for NFMA training throughout the Tongass. It has not been decided whether such training will be offered, or if training is offered, when it take place/who will be involved. It is recognized there is a need to develop additional skills in the requisite quantitative analysis, computer modelling, and the planning regulations displayed in the NFMA implementing regulations. Such skills will also be of value during Forest Plan implementation.

The Forest Plan IDT makes wide use of acronyms throughout the Work Plan. In addition to defining each acronyms upon its initial use, a glossary is also provided to facilitate the reader (refer to Section IX. Glossary of Acronyms).

This Work Plan defines the process and tasks associated with revising the Forest Plan on the Tongass National Forest. When signed by all parties, the Work Plan represents an agreement between the Regional Forester and the three Tongass Forest Supervisors regarding the Forest Plan revision and serves as direction to the Forest Plan IDT. The following crosswalk is intended to facilitate a comparison of the Work Plan and FSH 1909.12.

Crosswalk Between Work Plan Direction and the Draft FSH 1909.12

Work Plan (page #)	Draft FSH 1909.12 (section #)	
	CHAPTER 3 - FOREST PLANNING PROCESS	
II-1-53	3.1	IDENTIFICATION OF PURPOSE AND NEED
Entire Section III	3.2	PREPARATION OF PLANNING CRITERIA
III-47-52	3.21	Minimum Management Requirements
III-1-26	3.3	INVENTORY DATA AND INFORMATION COLLECTION
III-44-45	3.31	Capability, Analysis, and Management Areas
III-1-26 and 32-43	3.32	Data and FORPLAN Coefficients
III-44-46 & Appendix A	3.33	Analytical Tools

III-30-58	3.4	ANALYSIS OF THE MANAGEMENT SITUATION
III-30-32 & Appendix A	3.41	Required Analysis
III-30	3.41a	Description of Current Management Situation
III-31	3.41b	Benchmark Analysis
III-31	3.41c	Resource Demand Projections
III-44-58	3.41d	Analytical Conclusions
III-31-32 & Appendix A	3.42	Benchmark Requirements
Appendix A	3.42a	Minimum Level Management Benchmark
Appendix A	3.42b	Maximum Present Net Value with Assigned Values Benchmark
Appendix A	3.42c	Maximum Present Net Value with Market Values Only Benchmark
Appendix A	3.42d	Current Level Benchmark
Appendix A	3.42e	Maximum Timber Benchmark
Not applicable	3.42f	Maximum Range Benchmark
Appendix A	3.42g	Maximum Wilderness Benchmark
Appendix A	3.42h	Maximum Nonwilderness Benchmark
Appendix A	3.42i	Maximum Present Net Value with Assigned Values - Departure Benchmark
III-55-57	3.43	Management Prescriptions
III-59-63	3.5	FORMULATION OF ALTERNATIVES
III-62	3.51	Guiding Principles
III-62-63	3.52	Current Direction (No Action) Alternative
III-63	3.53	Emphasis on Market Opportunities Alternative
III-63	3.54	Emphasis on Nonmarket (Amenity) Opportunities Alternative
III-63	3.55	Emphasis on Meeting Assigned National Resources Planning Act Program Outputs Alternative
III-63	3.56	Wilderness Emphasis with Capital Investment Emphasis on Remaining Lands Alternative
III-63	3.57	Other Alternatives
III-46, 52-54 & Appendix A	3.58	Constraints on Alternatives
III-64-81	3.6	ESTIMATED EFFECTS OF ALTERNATIVES
III-82-85	3.7	EVALUATION OF ALTERNATIVES AND PREFERRED ALTERNATIVE RECOMMENDATION
Not Included	3.8	PLAN APPROVAL
	CHAPTER 4 - FOREST PLANNING DOCUMENTS	
Appendix D	4.1	ENVIRONMENTAL IMPACT STATEMENT OUTLINE
Appendix C	4.2	FOREST PLAN OUTLINE
III-83-84	4.4	SENATE APPROPRIATIONS SUBCOMMITTEE REPORT
III-86-94	CHAPTER 5 - FOREST PLAN IMPLEMENTATION PROCESS	
III-86	5.1	PURPOSE OF FOREST PLAN IMPLEMENTATION
III-86	5.11	Compliance with the NFMA and NEPA

III-86	5.2	IMPLEMENTATION SCHEDULING
III-86	5.21	Area Analysis
III-87	5.22	Project Proposal
III-87	5.3	CONSISTENCY DETERMINATION
III-87	5.31	Review of Proposal
III-88	5.31a	NFMA Compliance
III-88	5.31b	NFMA Findings
III-89	5.32	Change to Forest Plan Not Required
III-91	5.4	FOREST PLAN AMENDMENT
III-91	5.41	Change to Forest Plan Required
III-92	5.41a	Nonsignificant Change to the Forest Plan
III-92	5.41b	Significant Change to the Forest Plan
III-92	5.5	BUDGET DEVELOPMENT
III-92	5.6	PROJECT DESIGN
III-92-93	5.61	Field Work
III-93	5.7	PROJECT EXECUTION AND ADMINISTRATION
III-95-102	CHAPTER 6 - FOREST PLAN MONITORING, EVALUATION, AND AMENDMENT PROCESS	
III-95	6.02	OBJECTIVES
III-95	6.03	POLICY
III-95	6.04	RESPONSIBILITIES
III-95	6.04a	Regional Foresters
III-95	6.04b	Forest Supervisors
III-95-97	6.1	MONITORING LEVELS
III-95	6.11	Implementation Monitoring
III-95-96	6.12	Effectiveness Monitoring
III-96	6.13	Validation Monitoring
III-98-99	6.2	MONITORING REQUIREMENTS AND TECHNIQUES
III-98	6.21	Monitoring Required by NFMA Regulations
III-98	6.22	Monitoring Related to Forest Management Problems
Not Included	6.23	Monitoring Techniques
III-99-102	6.3	EVALUATION OF MONITORING RESULTS
III-99-102	6.31	Evaluation in Relation to the Three Monitoring Levels
III-99	6.31a	Implementation Monitoring Results
III-99	6.31b	Effectiveness Monitoring Results
III-100	6.31c	Validation Monitoring Results
III-102	6.32	New Assumptions, Coefficients or External Changes.
Not Included	6.33	Evaluation Techniques
II-8-10 (Issue #2)	CHAPTER 7 - WILDERNESS EVALUATION	
II-11-13 (Issue #3)	CHAPTER 8 - WILD AND SCENIC RIVER EVALUATION	

II. ISSUE STATEMENTS

Consistent with National Forest Management Act (NFMA) regulations, revision of TLMP is formulated around identification of major issues. Since the revised plan is intended to be a document to help solve existing or anticipated resource management problems, identification of important issues or problems is the first step in the revision process. The IDT has made a preliminary attempt to identify potentially important issues only to assist with development of the workplan. The issues presented are drawn from an array of of documents and activities produced in conjunction with other planning efforts on the Tongass National Forest. These documents and activities include:

1) Public involvement for the KPC 1984-89 Operating Plan EIS
2) Public involvement for the KPC 1989-94 Operating Plan EIS
3) Public involvement for the APC 1986-90 Operating Plan EIS
4) Public review comment summary for the APC 1986-90 Operating Plan EIS
5) Public involvement for the TLMP Evaluation Report
6) Forest issues summary prepared March 27, 1986 by the Rangers and others for Forest Plan Revision
7) Forest issues in TLMP FEIS
8) Forest issues in the SE Area Guide
9) Forest issues in the Alaska Regional Guide and FEIS
10) Forest Service Responses to Public Comments (TLMP Amendment)
11) R10 PNW GMR - Issue Paper -- Resolution of Use vs. Non-Use Conflicts
12) Quartz Hill DEIS
13) Greens Creek FEIS
14) ANILCA 706(b) Report to Congress
15) ANILCA 706(b) Report-related House sub-committee testimony

*****NOTE: This review does not constitute the scoping process and the issues outlined on the following pages are not necessarily the issues to be addressed during the revision effort.** Formal scoping will take place and the public will be asked to comment on this initial list of issues. After the appropriate comment period, this list will be amended to better reflect the public point of view. These amended major issues will then become the factors directing the Forest Plan Revision process.

The Forest Plan IDT will use screening criteria to determine which issues to address during the Forest Plan Revision process and which are more appropriately addressed elsewhere. The screening criteria used to develop the Work Plan are outlined below in the form of questions. These criteria may also be used after the formal public scoping process to develop the final Issue Statements.

Resolvability	Can the issue be resolved by the Tongass National Forest? Is the issue within existing Forest Service authority to resolve? Is there a more appropriate organizational level for resolving this issue?
Scope	Is the issue related to Forest Service management on the Tongass National Forest?
Duration	Is the issue long-term or short-term in nature?
Intensity	Is the intensity of feelings about the issue high or low? How much of the public is involved and/or aware of the issue?

Consequences of Not Addressing This Issue	What are the consequences if this issue is not addressed and current Forest Service management/programs were to continue?

As the planning process proceeds, the above screening criteria will be applied to all additional issues and comments received. Following application of this screening criteria, those issues not considered appropriate for consideration through this planning process will be identified in one of six attachments:

Attachment 1 - Issues Referred to the Washington Office.

Attachment 2 - Issues Referred to the Regional Office.

Attachment 3 - Issue Referred to Another Governmental Agency.

Attachment 4 - Issues Referred to Project Analysis.

Attachment 5 - Issue-Related Details to be Considered During the Formulation of Forest Plan Alternatives

Attachment 6 - Issues that Failed the Screening Criteria.

Issues tentatively identified as appropriate for consideration in this planning process are presented in this document using a standard format. The format, outlined below, is used to help the IDT and the public understand how issues were identified, what actions are needed in response to the issues, and how well a particular forest plan alternative will address or resolve each issue.

I. Issue - A broad descriptive category and associated question or statement.
   A. Narratives
      1) Background/present situation - a summary of past events and current activities leading to the creation of the issue on the Forest.
      2) Summary of major comments/positions - a summary to provide an indication of the range of comments and positions.
      3) Results of applying screening criteria
         a) Resolvability
         b) Scope
         c) Duration
         d) Intensity
         e) Consequences

   B. Associated Planning Questions - A list of questions or sub-issues which, when addressed, will lead to Forest Plan revision actions and alternative formulation. Note: Many of these questions may be related to the adverse or beneficial effects of a particular action/activity.

   C. Indicators of Resolution - A list of items relating to the determination of how well a forest plan alternative has resolved the issue. These may include actions taken, management prescriptions applied, standards and guidelines employed, management activities scheduled, or the associated short-term, long-term, and cumulative effects, among others. It is essential that the Environmental Impact Statement (EIS) supporting the revised Forest Plan describe how well each forest plan alternative addresses or responds to the issues. By identifying specific indicators or points of measure which demonstrate how the issue is being addressed, evaluation of the various alternatives becomes less subjective. Refer to Section III.D.4. for a discussion of the estimation of effects in relation to forest issues.

D. Relationship to Other Issues - A list of other significantly related issues to assist in tracking interrelationships among the issues.

Again, the following issue statements are not necessarily those to be addressed during the revision process. Rather, they are intended to provide the public an opportunity to review and comment on the major issues identified thus far by the Forest Plan IDT. The issue statements also assist the IDT in identifying the kinds of analysis/actions needed to revise the existing Forest Plan (TLMP), and in formulating various forest plan alternatives. The IDT will develop a final set of issue statements based upon formal public involvement activities.

Issue Statement #1 - Recreation Management

What should the Forest Service do to ensure that its management direction is consistent with public demands for recreation?

Background/Present Situation - Today tourism is a major industry in Southeast Alaska, equivalent to both timber harvest and commercial fishing in terms of the number of people directly employed. For some communities, tourism has helped diversify and stabilize local economies. Thus, it is not surprising that residents and non-residents alike are deeply concerned about how management activities on the Forest affect recreation resources. Revising the Forest Plan provides an opportunity to anticipate future demands for recreation and develop management direction to meet this demand.

Comment Summary - The greatest concern revolves around the overall recreation management direction on the Tongass. Specifically, the public wants to know what types of recreational opportunities will be provided and, in the case of additional development, when and where such development will take place. Some feel that recreation resources are not given the same weight in decision-making as commodity resource values. Concerns also center on the visual resources and how the Forest Service should manage for visual quality within certain 'viewsheds.' Still others are concerned that recreation and visual resource values are given too much emphasis when it comes to road design, and increase the costs associated with other management activities (e.g. timber harvest). Remaining unroaded areas of the Tongass are the subject of considerable public concern. Some feel it is necessary to provide for primitive recreation opportunities other than those associated with Wilderness.

Result of Applying Screening Criteria:

Resolvability: While site-specific concerns are most appropriately handled during Forest Plan implementation, the land allocations, standards and guidelines and direction provided in the Forest Plan can address many of the broader management issues related to recreation.

Scope of Issue: The issue is primarily Forest-wide. In addition, there is wide spread interest since the Tongass hosts visitors from all over the nation and world.

Duration: The issue is long-term in nature and is likely to change over time as public demand for recreation changes.

Intensity: The issue has grown in intensity with the steady increase in tourism, primarily aboard cruiseships, and the decline in timber harvesting.

Consequences of Not Addressing This Issue: If this issue is not addressed, it will be difficult to estimate the demand for recreation and develop an overall management program to meet this demand. Assessing the Forest's ability to meet society's demands for resources is an NFMA requirement.

Associated Planning Questions:

1) What is the current supply of recreation opportunities on the Tongass?

2) What are the projected demands for various forms of recreation uses and can they be met?

3) How can the Forest be managed to provide a broad spectrum of recreation settings and opportunities?

4) How will other management activities affect recreation resources on the Forest? How can these other activities be managed to enhance recreation opportunities?

5) What kinds of recreational facilities, services, and access should be provided by the Forest Service both directly and by private operators under special use permit?

6) Do Forest visitors have adequate information about available recreation opportunities?

7) Are there additional interpretative opportunities that would help visitors understand natural resources and their management on the Forest?

8) How and where should visual resources be managed? How can an 'integrated' or 'total' approach be implemented for the visual resource (addressing not only mitigation measures but) establishing visual quality objectives for public sensitive landscapes as a means for helping to direct future management activities?

9) How should historic and cultural resources on the Forest be managed? Are additional measures needed to protect these resources?

10) How should the Forest provide for and manage roads and trails to enhance recreational opportunities while at the same time protecting other resource values?

11) How should conflicts between different types of recreational users be resolved (e.g. motorized vs. non-motorized, road vs. off-road vehicle use, other)?

12) Should recreation use be restricted on portions of the Forest? If so, what types of uses should be restricted and in what locations?

13) What opportunities exist for reducing or offsetting the cost of recreation management on the Forest (e.g. increasing user fees, increasing private sector profit and non-profit participation, increasing use of volunteers, etc.)?

14) Who should pay for roads that access timber but are constructed to higher standards for recreation and other uses?

15) What effect does recreation/tourism have on the local economies and on community development and stability?

16) How should the Forest Service coordinate recreation management with other Federal agencies, the State, and native organizations to provide needed recreation opportunities (e.g. creation of marine parks, trails and recreation sites involving several landowners)?

17) How should the Forest Service coordinate recreation management activities with private sector recreational entities (e.g. outfitter guides, water based or floating resorts, land based developments, marine charters and tour boats, and chartered air carriers)?

18) What steps should be taken to ensure that permitted activities on National Forest System lands do not unfairly compete with the private sector?

19) How should the Forest Service coordinate recreation management with adjacent land owners to provide for compatible uses?

20) What criteria should the Forest Service use in determining the number and location of recreation special use permits?

21) How and where should the Forest provide for unroaded nonwilderness recreation opportunities?

22) What areas of the Forest should be left unroaded?

Indicators of Resolution:

1) Supply of recreation resources on the Forest relative to demand (PAOT capacity)

2) Estimated recreation use levels (RVDs)

3) Standards and guidelines for:
  - visual resource management
  - cultural resource management
  - road construction and management
  - facility construction and operation
  - management of recreation-related access and use
  - special use permits for outfitter/guides
  - Recreation Opportunity Spectrum (ROS) classes
  - Recreation Attractors i.e., sportfishing areas, waterfalls, etc.

4) Identification of preferred recreation areas and viewsheds on the Forest for appropriate and compatible management

5) Cost-share agreements, Memorandums of Understanding and other forms of coordination and/or coordinating requirements with adjacent land owners

6) Scheduling opportunities to minimize the adverse impacts and maximize the positive effects of resource development activities on recreation resources

7) Scheduling construction/reconstruction activities for recreational roads, trails and facilities

8) Recommendations on user fees

9) The short-term, long-term, and cumulative effects of forest plan alternatives on recreation resources and opportunities

10) Employment estimates associated with Forest recreation uses

11) Distribution of ROS classes across the Tongass

12) Visual quality objectives (acres and distribution)

13) Monitoring and evaluation requirements to ensure that recreation objectives are achieved, documented, and that the effects are as anticipated

14) Existing Visual Condition (EVC) classes (acres and distribution)

Relationship to Other Issues:

#2 Wilderness Management
#3 Management of Specially Designated Areas
#4 Wildlife Habitat Management
#5 Fish Habitat Management
#6 Subsistence Uses and Lifestyles
#7 Regional and Community Economic Development and Structure
#8 Timber Harvest Economics
#9 Coordinating Timber Management Activities with Other Resources
#12 Coordination With Other Land Owners
#13 Transportation Systems and Road Management

Issue Statement #2 - Wilderness Management

How much Wilderness should be designated on the Tongass National Forest and how should it be managed?

Background/Present Situation - Prior to the passage of ANILCA, much of the controversy surrounding land use in Alaska, and particularly on the Tongass National Forest, centered on Wilderness preservation. The questions being asked were related to how much land and which lands should be formally designated as Wilderness. Some of the interest groups advocating additional Wilderness, both nationally and regionally, considered Alaska to be the Nation's last opportunity to preserve lands relatively untouched by human activity. To some wilderness advocates, formal Congressional designation was seen as the only long-term guarantee there would be no future development. Stressing Alaska's storehouse of minerals and timber, development oriented interests felt that resource development should be permitted and that Wilderness classification would only 'lock-up' those valuable resources. ANILCA resolved much of the designation issue by adding 14 areas (5.4 million acres) on the Tongass to the National Wilderness Preservation System. In addition to designating Wilderness, ANILCA released certain areas recommended for Wilderness. These lands, as yet unroaded/undeveloped, are referred to as Land Use Designation (LUD) 1 Release areas and are currently managed to maintain their wilderness characteristics. Final allocation of these release areas will be determined in the Forest Plan revision.

NFMA regulations require that all remaining roadless areas be evaluated and considered for recommendation as potential wilderness areas during the Forest Plan revision. In this regard, ANILCA states that the Forest Service "shall not be required to review the wilderness option prior to the revision of the initial plans and in no case prior to the date established by law for completion of the initial planning cycle." In addition to the LUD I Release areas on the Tongass, wilderness re-evaluation will involve most LUD II areas and those LUD III and IV areas that continue to possess wilderness characteristics. Today the issue is threefold: 1) How much wilderness is needed, 2) How should existing Wilderness and adjacent lands be managed, 3) What management emphasis should be accorded the remaining unroaded/undeveloped areas of the Forest. With regard to the existing 14 areas, the revised Forest Plan will address their status and will evaluate and incorporate pertinent management direction.

Comment Summary - The primary focus is still the allocation issue although to a lesser extent than in 1979 prior to ANILCA. Some feel more lands should be designated as Wilderness or managed as such. Others are concerned that too much land has been classified as Wilderness and advocate declassification of some areas. Management of existing Wilderness is increasingly an issue and expected to be even more visible in the next few years. Concern is already being raised regarding over-use of some Wilderness areas, conflicting uses, access needs, implementation of the motorized access provisions of ANILCA Title XI, mining activities (Greens Creek on Admiralty Island and U.S. Borax in Misty Fiords), use of motorized equipment such as chain saws and generators, and management of lands adjacent to Wilderness, both public and private.

Results of Applying Screening Criteria:

Resolvability: It is unlikely that this issue can ever be fully resolved since it embodies the larger issue of 'development versus preservation' of specific areas of the Forest. The authority for Wilderness designation rests with Congress. However, the Forest can develop and evaluate management alternatives for the remaining unroaded/undeveloped areas and develop Wilderness alternatives for the presently unroaded areas on the Forest. In identifying the preferred alternative, the Forest may recommend additional Wilderness, changes in existing Wilderness boundaries, or changes in Wilderness designations. This evaluation process is described in FSH 1909.12--7.

Scope of Issue: As evidenced by the ANILCA debates, Wilderness in Alaska is a national concern. The scope has narrowed to more site-specific concerns, however, since the passage of ANILCA.

Duration: This will remain a long-term issue.

Intensity: The original high intensity of the Wilderness allocation issue has diminished to some extent but is still an issue. Concerns about Wilderness management, unroaded/undeveloped area management, and the management of areas adjacent to Wilderness have grown in intensity.

Consequences of Not Addressing This Issue: Failure to address this issue would result in non-compliance with NFMA requirements.

Associated Planning Questions:

1) What land base is necessary to support present and future demands for primitive use opportunities?

2) To what degree can non-wilderness lands support primitive recreation opportunities, and how should these areas be managed to meet this demand?

3) What types of recreation opportunities should be provided in Wilderness? How should these opportunities be managed? How will the Wilderness management provisions in ANILCA be incorporated into the Forest Plan?

4) How should Forest lands immediately adjacent to Wilderness areas be managed? Are boundary changes needed? How should the management of Forest lands be coordinated with the management of non-federal lands to ensure compatible uses adjacent to Wilderness?

5) Are there areas within Wilderness where certain types or levels of use should be restricted?

6) What types of access should be provided in Wilderness?

7) What are the economic effects of a Wilderness recommendation for unroaded/undeveloped areas? What are the economic effects of a non-wilderness recommendation for unroaded/undeveloped areas?

8) What effect does Wilderness have on the local tourism/recreation industry?

9) How should conflicts between outfitter/guides and individual users of Wilderness be resolved?

10) Where and what type of commercial activities should be permitted in Wilderness?

11) What should the Forest Service do to better educate the public regarding the appropriate uses of Wilderness?

12) Should additional areas of the Forest be recommended for Wilderness designation?

13) To what degree does Wilderness provide for the maintenance of important fish and wildlife habitat?

14) How should the legislative intent of ANILCA 1110 regarding hearings be handled where restrictions are imposed?

15) What and where are the specific "non-conforming" areas established before passage of ANILCA such as helicopter landing areas, all-terrain-vehicle use, and motorized equipment not specifically provided for in ANILCA? Which of these use areas and uses qualify for grandfather rights?

16) To what degree can wilderness and non-wilderness jointly supply the demand for primitive recreation opportunities?

Indicators of Resolution:

1) Compatible management prescriptions/management emphasis applied to the remaining unroaded/undeveloped lands

2) Standards and guidelines for:
    - management of Wilderness
    - use and access in Wilderness
    - special use permits in wilderness
    - management of non-wilderness lands

3) The scheduling of activities to minimize the adverse effects on adjacent Wilderness (i.e., timing and intensity)

4) The supply of primitive opportunities in areas formally designated or currently unroaded/undeveloped in relation to present and future wilderness demand

5) Cost-share agreements, Memorandums of Understanding and other forms of coordination and/or coordinating requirements with adjacent land owners

6) Recommendations for additional Wilderness and the effects of such recommendations and associated management standards and guidelines on resource outputs and present net value estimates for the Forest

7) Occurrence and management of fish and wildlife habitat inside Wilderness

8) Employment effects associated with Wilderness

9) Monitoring and evaluation requirements to ensure that wilderness objectives are achieved, documented, and that the effects are as anticipated

Relationship to Other Issues:

#1 Recreation Management
#3 Management of Specially Designated Areas
#4 Wildlife Habitat Management
#5 Fish Habitat Management
#8 Timber Harvest Economics
#11 Minerals/Energy Management
#12 Coordination With Other Land Owners

Issue Statement #3 - Management of Specially Designated Areas

How should existing or proposed Research Natural Areas and other specially designated areas be managed on the Tongass National Forest?

Background/Present Situation - In addition to designated Wilderness, lands within the National Forest System may contain unique features that merit special management designations. NFMA regulations provide for the establishment of Research Natural Areas (36 CFR 219.25). Research Natural Areas (RNAs) are part of a national network of field ecological areas designed for research and education and/or to maintain biological diversity on National Forests (FSM 4063). RNAs are for nonmanipulative research, observation and study. They also may assist in carrying out provisions of special acts, such as the Endangered Species Act and monitoring requirements of NFMA.

It is also possible to specially designate other areas on the Forest, either in response to existing laws and regulations or through administrative procedures. Such specially designated areas often contain outstanding examples of plant or animal communities, geologic features, scenic grandeur, or other attributes, and are managed to emphasize these values (FSM 2370 and FSH 1909.12--8). Special areas designated by law include: National Recreation Areas, National Wild, Scenic and Recreation Rivers, National Monuments, National Recreation Trails, National Historic Trails, National Scenic Trails, National Scenic Areas, National Scenic Research Areas, National Game Refuges, and National Management Emphasis Areas. Administratively designated areas include: Archeological Areas, Special Cultural Resource Areas, Geologic Areas, Botanical Areas, Paleontological Areas, Historical Areas, and Recreation Areas. The Forest Service, in cooperation with the National Park Service, can also designate National Landmarks within a National Forest.

Each administrative order or law used to specially designate an area defines the specific management objectives and guidelines for that area. At the present time there are six designated RNAs on the Tongass, two National Monuments, and more than a dozen administratively established Recreation, Scenic and Geologic Areas. In addition to incorporating the management objectives and guidelines for each of these existing areas, the revised Forest Plan must identify and evaluate candidate areas.

Comment Summary - To date, management of these specially designated areas has been more of a management concern within the agency, rather than a public issue. In some instances, records are scattered or incomplete, and it is difficult to verify the status of various existing or proposed special management areas. In other cases, it is not clear how these areas are being managed under the current Forest Plan. Management concerns are focused primarily on the need to define and incorporate management prescriptions for existing special designated areas into the revised Forest Plan, and to identify and evaluate candidate areas for possible designation.

Results of Applying Screening Criteria:

Resolvability: Management of existing and proposed RNAs and special management areas is part of the forest planning process and should, logically, be incorporated into the revised Forest Plan. The Forest Plan can establish a framework for managing these areas.

Scope of Issue: At the present time, this is primarily an internal management concern. However, as the significance of these areas is realized through increase publicity (e.g. media attention over Hubbard Glacier in 1986), management of special areas could become a concern of national interest groups.

Duration: This will be a concern as long as proposed or candidate special areas exist.

Intensity: Concerns over the use and management of special areas could grow in intensity as competing uses of finite resources increase, and areas containing special biological, physical or cultural resources become more scarce.

Consequences of Not Addressing This Issue: Failure to incorporate management of these areas in the revised Forest Plan could result in a management direction that is inconsistent with national direction. Unless specifically addressed in the Forest Plan, uncertainty over the status and long-term use of these areas will persist, and management of specially designated areas will remain an appendage to forest planning, rather than an integral component. In addition, lack of identification and management of a unique resource could result in its being permanently defaced or destroyed.

Associated Planning Questions:

1) What is the status of existing RNAs and special management areas on the Forest (management status, location, condition)? Are there any candidates?

2) How should management of RNAs and specially designated areas be incorporated into the revised Forest Plan?

3) Should additional areas of the Forest be designated as RNAs or as other specially designated areas?

4) Are there special interpretative/information programs and facilities that the Forest should develop to provide for public use and enjoyment of these areas?

5) How are the various established RNAs being used for research, both by the Forest Service and by other agencies and universities?

6) What types and levels of use should be permitted in these areas?

7) Are there existing special management areas where the designations are no longer appropriate and should be rescinded?

8) How do RNAs and special management areas help achieve other resource objectives on the Forest? (e.g. maintenance of important fish and wildlife habitat)

9) How should National Forest lands immediately adjacent to RNAs and special management areas be managed?

10) Are there specific coordinating requirements associated with management of specially designated areas that need to be added to the existing management direction?

11) What are the respective roles of Universities, Forest Service Research, and the Tongass National Forest in planning and conducting research in RNAs?

12) What monitoring and evaluation requirements are needed to ensure that specially designated area standards and guidelines are adequate, are being properly implemented, and comply with NFMA, NEPA, and other laws? How should monitoring and evaluation results be documented?

Indicators of Resolution:

1) RNA and special management area nominations

2) Maps and official boundary descriptions of RNAs and special management areas -- designated and proposed

3) Establishment records for designated RNAs and other special management areas

4) Monitoring and evaluation requirements to determine and ensure that management prescriptions, standards and guidelines are achieved, documented, and that the effects are as anticipated for each area

5) Standards and guidelines for:
  - management of RNAs and other specially designated areas
  - management of lands adjacent to RNAs and other specially designated areas

Relationship to Other Issues:

#1 Recreation Management
#2 Wilderness Management
#4 Wildlife Habitat Management
#5 Fish Habitat Management
#9 Coordinating Timber Management Activities with Other Resources
#11 Minerals/Energy Management
#12 Coordination With Other Land Owners
#13 Transportation Systems and Road Management

Issue Statement #4 - Wildlife Habitat Management

How should the Forest Service manage wildlife habitat on the Tongass National Forest?

Background/Present Situation - The Tongass National Forest supports a wide variety of wildlife species. Wildlife habitat management involves many Forest activities and requires coordination with other governmental agencies and land owners. For example, the State of Alaska is responsible for managing wildlife populations. The Forest Service, in turn, coordinates with other federal agencies and the State of Alaska in managing habitat on the Forest to support desired population levels. NFMA provides specific direction for the management of wildlife habitat. Specifically, NFMA calls for the identification of management indicator species (MIS) and the habitat and population trends associated with MIS. The primary focus of this issue revolves around identification of MIS, habitat requirements, desired population levels and management programs to enhance wildlife habitat on the Forest. The identification and management of old growth habitat is also a primary focus of this issue.

Comment Summary - This issue is closely related to other issues such as Fish Habitat Management and Coordination With Other Land Owners. While there is little disagreement that Forest habitat should be managed for wildlife, there is disagreement about how much emphasis should be placed on habitat management. Some feel that too much emphasis is placed on habitat management at the expense of other resource values. Populations and habitat objectives are thought to be unrealistic and provide little opportunity for meeting other resource needs. The economic efficiency of some habitat improvement projects has been questioned. Still others are concerned that not enough emphasis is being placed on wildlife programs. They feel that Forest habitat management objectives are not well coordinated with State population objectives and that habitat monitoring and evaluation is neither sufficient nor reflected in changes in management practices. Some feel that monitoring and evaluation requirements either do not take place as directed or, if they do, the results are not adequately documented. The Alaska Department of Fish and Game, interest groups and other concerned individuals have identified specific areas within the Forest that they would like managed primarily for wildlife habitat values. Regardless of management prescription, it is necessary to achieve defined wildlife habitat management objectives.

Effects of Applying Screening Criteria:

Resolvability: The Forest Plan Revision provides an opportunity to identify MIS population levels, to integrate the State's wildlife population objectives with Forest habitat objectives, and to develop monitoring and evaluation requirements for assessing MIS population trends describing how populations are being affected by Forest management activities. During this process, close coordination with the Alaska Department of Fish and Game will be required in identifying population objectives. The site-specific identification of habitat and habitat enhancement projects will be largely done through subsequent analyses. Coordination with the State of Alaska and user groups will assist in developing standards and guidelines, Forest Plan alternatives, analyzing the effects of the alternative. Collectively, these efforts are intended to assist in resolving wildlife habitat management issues.

Scope of Issue: The issue surrounding wildlife habitat management is Forest-wide.

Duration: This issue is expected to be long-term.

Intensity: An already intense issue, wildlife habitat management continues to grow in intensity, and is linked to the larger issue of 'development versus preservation' of specific areas of the Forest and concerns about subsistence uses of forest resources.

Consequences of Not Addressing This Issue: Failure to address this issue will result in non-compliance with NFMA and possibly with NEPA. Wildlife management objectives will not be established or met if the issue is not addressed.

Associated Planning Questions:

1) What management indicator species for wildlife should be selected on the Tongass National Forest?

2) How should viable populations and minimum habitat capability levels be determined? What should be the range of population objectives? Given these objectives, what habitat is needed to support these populations? Where is this habitat located?

3) What monitoring and evaluation requirements are needed to ensure that wildlife habitat standards and guidelines are adequate, are being properly implemented, and comply with NFMA and NEPA? How should monitoring and evaluation results be documented?

4) How should wildlife habitat enhancement projects be linked to Forest management objectives and the maintenance of viable population levels?

5) What opportunities exist for wildlife habitat enhancement on the Forest? Which of these opportunities should the Forest Service act upon? How should such enhancements be coordinated with other governmental agencies and land owners?

6) Can prescribed fire be used to enhance wildlife habitat on the Tongass? If so, under what conditions may it be applied?

7) How should the Forest Service coordinate with the State of Alaska, other governmental agencies, and sport groups during the identification of MIS, MIS viable population levels, habitat requirements, monitoring and evaluation requirements, vertical and horizontal habitat diversity, and standards and guidelines?

8) How should wildlife habitat management be coordinated with recreation and subsistence activities, and other resource objectives?

9) How does wildlife habitat on the Forest influence recreational opportunities?

10) How much emphasis should the Tongass National Forest place on management of habitat for non-indigenous species and how should this be coordinated with the state?

11) How and where should management for snag and residual groups of trees occur? What standards and guidelines are needed to provide habitat for cavity nesting birds and raptors?

12) Where and how should the Forest manage for old growth habitat?

13) What are the sensitive species and their habitat needs?

14) What measures should be taken to implement Region 10 policy on snag management?

Indicators of Resolution:

1) Selection of management indicator species and the evaluation of their population and habitat trends.

2) The amount, distribution and quality of habitat provided for MIS

3) The amount, distribution and quality of old growth habitat managed for old growth dependant wildlife

4) Development of population objectives for each MIS as well as the proportion of demand being met for selected species

5) The short-term, long-term, and cumulative effects of forest plan alternatives on each MIS

6) The mapping of important wildlife habitat relating to the MIS and direction for field verification

7) Monitoring and evaluation requirements to ensure that wildlife habitat objectives are achieved, documented, and that the effects are as anticipated

8) Standards and guidelines for:
- wildlife habitat management
- enhancement projects (identification, construction)
- management of MIS
- coordinating wildlife habitat management with other resource activities, particularly timber management activities
- desired population capability objectives, resulting from the relationship of differing habitats to one another (e.g. where adjoining habitats produce a desired edge effect)

9) Cost-share agreements, Memorandums of Understanding and other forms of coordination and/or coordinating requirements

Relationship to Other Issues:

- #1 Recreation Management
- #2 Wilderness Management
- #3 Management of Specially Designated Areas
- #5 Fish Habitat Management
- #6 Subsistence Uses and Lifestyles
- #8 Timber Harvest Economics
- #9 Coordinating Timber Management Activities with Other Resources
- #10 Long-term/Short-term Timber Sales Programs
- #11 Minerals/Energy Management
- #12 Coordination With Other Land Owners
- #13 Transportation Systems and Road Management

Issue Statement #5 - Fish Habitat Management

How should the Forest Service manage fish habitat on the Tongass National Forest?

Background/Present Situation - The Tongass National Forest supports a wide variety of resident fish species. Of considerable importance to Forest users are commercial anadromous fish. Fish habitat management involves many Forest activities and requires coordination with other governmental agencies and land owners. For example, the State of Alaska is responsible for managing fish populations. The Forest Service, in turn, coordinates with other federal agencies and the State of Alaska in managing habitat on the Forest to support desired population levels. NFMA provides specific direction for the management of fish habitat. Specifically, NFMA calls for the identification of management indicator species (MIS) and the habitat and population trends associated with MIS.

ANILCA also provides direction for fisheries management activities on the Tongass. Specifically, the act calls for "a cooperative planning process for the enhancement of anadromous fisheries resources through fish hatchery and maraculture/aquaculture facilities and activities in the Tongass National Forest." In addition, ANILCA directs that each subsequent revision of a Forest Plan contain a status report on current hatchery and mariculture/aquaculture projects, an analysis of the success of these projects, and a prioritized list of projects anticipated for the duration of the management plan. The primary focus of this issue revolves around identification of MIS, habitat requirements, desired population levels and management programs to enhance anadromous fish habitat on the Forest.

Comment Summary - This issue is closely related to other issues such as Wildlife Habitat Management, Subsistence Uses and Lifestyle, and Coordination With Other Land Owners. While there is little disagreement that Forest habitat should be managed for fish, there is disagreement about how much emphasis should be placed on habitat management. Some feel that too much emphasis is placed on habitat management at the expense of other resource values. Populations and habitat objectives are thought to be unrealistic and provide little opportunity for meeting other resource needs. The economic efficiency of some habitat enhancement projects has been questioned. Still others are concerned that not enough emphasis is being placed on fish programs. They perceive considerable risk is involved in the maintenance of fish habitat and commercial fish populations with timber harvest and road development throughout the Forest. They also feel that Forest habitat management objectives are not well coordinated with State population objectives and that habitat monitoring and evaluation is neither sufficient nor reflected in changes in management practices. Some feel that monitoring and evaluation requirements either do not take place as directed, or, if they do, the results are not adequately documented. The Alaska Department of Fish and Game, interest groups and other concerned individuals have identified specific areas within the Forest that they would like managed primarily for anadromous fish habitat values. Regardless of management prescription, it is necessary to achieve defined fish habitat management objectives.

Effects of Applying Screening Criteria:

Resolvability: The Forest Plan Revision provides an opportunity to identify MIS population levels, to integrate the State's fish population objectives with Forest habitat objectives, and to develop monitoring and evaluation requirements for assessing MIS population trends describing how populations are being affected by Forest management activities. During this process, close coordination with the Alaska Department of Fish and Game will be required in identifying population objectives. The site-specific identification of habitat and habitat enhancement projects will be largely done through subsequent analyses. Collectively, these efforts are intended to assist in resolving fish habitat management issues.

Scope of Issue: The issue surrounding fish habitat management is Forest-wide.

Duration: This issue is expected to be long-term.

Intensity: An already intense issue, fish habitat management continues to grow in intensity and is linked to the larger issue of 'development versus preservation' of specific areas of the Forest and concerns about subsistence uses of forest resources.

Consequences of Not Addressing This Issue: Failure to address this issue will result in non-compliance with NFMA, ANILCA 507(a), and possibly with NEPA. Fish management objectives will not be established or met if this issue is not addressed.

Associated Planning Questions:

1) What management indicator species for fisheries should be selected on the Tongass National Forest?

2) How should viable populations and minimum habitat capability levels be determined? What should be the range of population objectives? Given these objectives, what habitat is needed to support these populations? Where is this habitat located?

3) What monitoring and evaluation requirements are needed to ensure that fish habitat standards and guidelines are adequate, are being properly implemented, and comply with NFMA and NEPA? How should monitoring and evaluation results be documented?

4) What hatchery and mariculture/aquaculture projects originated under the current Forest Plan? What is the status of these projects and how successful have they been? What additional projects are needed and what are their associated priorities and effects on recreation, wilderness, and subsistence values?

5) How should fish habitat enhancement projects be linked to Forest management objectives, mitigation of unavoidable habitat loss, and the maintenance of viable population levels?

6) What opportunities exist for fish habitat enhancement on the Forest? Which of these opportunities should the Forest Service act upon? How should such enhancements be coordinated with other governmental agencies and land owners?

7) How should the Forest Service coordinate with the State of Alaska, other governmental agencies, and commercial and sport fishing groups during the identification of MIS, MIS viable population levels, habitat requirements, monitoring and evaluation requirements, and standards and guidelines?

8) How should fish habitat management be coordinated with recreation and subsistence activities, and other resource objectives?

9) How should fish habitat management be coordinated with commercial fishing organizations?

10) How does fish habitat on the Forest influence recreational opportunities? Commercial fish harvest opportunities?

11) How much emphasis should the Tongass National Forest place on management of habitat for non-indigenous species and how should this be coordinated with the state?

Indicators of Resolution:

1) Selection of management indicator species and the evaluation of their population and habitat trends

2) Development of population objectives for each MIS as well as the proportion of demand being met for selected species

3) The amount and quality of habitat provided for MIS

4) The short-term, long-term, and cumulative effects of forest plan alternatives on each MIS

5) The mapping of important fish habitat relating to the MIS and direction for field verification

6) Monitoring and evaluation requirements to ensure that fish habitat objectives are achieved, documented, and that the effects are as anticipated

7) Standards and guidelines for:
    - fish habitat and stream channel management
    - enhancement projects (identification, construction)
    - management of MIS
    - coordinating fish habitat management with other resource activities

8) Cost-share agreements, Memorandums of Understanding and other forms of coordination and/or coordinating requirements

Relationship to Other Issues:

#1 Recreation Management
#2 Wilderness Management
#3 Management of Specially Designated Areas
#4 Wildlife Habitat Management
#6 Subsistence Uses and Lifestyles
#8 Timber Harvest Economics
#9 Coordinating Timber Management Activities with Other Resources
#10 Long-term/Short-term Timber Sales Programs
#11 Minerals/Energy Management
#12 Coordination With Other Land Owners
#13 Transportation Systems and Road Management

Issue Statement #6 - Subsistence Uses and Lifestyles

How should Forest management activities be coordinated with subsistence uses and lifestyles dependent upon forest resources?

Background/Present Situation - Many residents of southeast Alaska participate in subsistence activities. Although more than half of Southeast Alaska's population resides in urban areas, hunting, fishing, trapping and gathering activities represent a major focus of life either by necessity or by choice. Given the cyclic and seasonal nature of both commercial fishing and timber harvest, some participate in subsistence activities to supplement personal income and to provide needed food. Others pursue subsistence activities to perpetuate cultural customs and traditions. Still others participate in subsistence activities for reasons unconnected with income or tradition. For example, many people participate in subsistence activities because it provides them an opportunity to get away from urban problems, to be close to a wilderness environment, and to be their own boss. For many, subsistence is much more than hunting, fishing, trapping and gathering. It is a lifestyle reflecting deeply held attitudes, values and beliefs and is closely connected to the recreation issue.

The Alaska National Interest Lands Conservation Act (ANILCA), Title VIII--Subsistence Management and Use, directs federal land management agencies, including the Forest Service, to manage lands in a manner that will "provide the opportunity for rural residents engaged in a subsistence way of life to do so." ANILCA also directs that federal agencies implement monitoring activities (Section 806), evaluate the effects of proposed management actions on subsistence uses and needs (Section 810), and prepare a report to Congress every three years regarding implementation of Title VIII.

While procedures for collecting and analyzing subsistence use information are being developed, data is limited on the nature and extent of subsistence uses and the effects of Forest management activities on subsistence use opportunities. In addition, criteria for determining when Forest management activities result in a 'significant restriction' of subsistence uses have yet to be fully developed. Furthermore, considerable attention is being placed on the biological rather than social components of the subsistence issue. For example, evaluation of the effects of management on subsistence may indicate no significant impact when considered strictly from a biological standpoint. However, when the social components of subsistence are considered, impacts on subsistence could be significant. Consequently, controversy exists regarding how well the Forest is managing for subsistence.

Comment Summary - Most of the subsistence related comments challenge Forest Service analyses of subsistence information, and dispute determinations that timber harvest and related activities (e.g. logging camps, terminal transfer facilities, and road construction) will not result in a significant restriction of subsistence use opportunities. Some feel that the cumulative effects on subsistence uses have not been adequately evaluated in light of the long-term timber sale contracts and timber harvest on private lands. Others feel that a subsistence lifestyle in Southeast Alaska is not possible without a more traditional economic base, and that a stable economy based on timber, fishing or tourism is of overriding importance. The Associate Solicitor General for the Department of Interior has agreed that subsistence uses must be evaluated on a community or area basis, rather than on an individual basis.

Results of Applying Screening Criteria:

Resolvability: Some of the associated questions are social and political in nature and, as such, will probably not be easily resolved. However, issues related to Forest management activities and the maintenance of subsistence use opportunities can be addressed through the development of management prescriptions, associated standards and guidelines, and land allocations.

Scope of Issue: Most of the issues surrounding subsistence uses on the Tongass National Forest are site-specific. The broader issue of how Forest activities should be coordinated with subsistence uses is Forest-wide.

Duration: Because it is so closely tied to other issues such as timber harvest economics, fish and wildlife habitat management and regional and community economic development and structure, it is expected that the issues surrounding subsistence uses and lifestyles will be long-term in nature.

Intensity: Since 1980, the issues surrounding lifestyle maintenance and subsistence have increased in intensity as is evidenced by the creation of a Subsistence Division within the Alaska Department of Fish and Game, the numerous subsistence use related issues that are emerging with greater frequency during public involvement activities, and the fact that local advisory committees and regional advisory councils are hosting their own public involvement forums on subsistence related issues.

Consequences of Not Addressing This Issue: ANILCA requires that management activities on the Forest be evaluated to determine their short-term, long-term, and cumulative effects on subsistence use opportunities. Failure to address this broad issue could result in non-compliance with Title VIII of ANILCA and undesired changes in lifestyles within some Southeast Alaska communities.

Associated Planning Questions:

1) What is the nature, extent, and location of subsistence use on the Tongass National Forest and where do conflicts exist between subsistence users and other users?

2) What are the physical, biological, social and economic effects of Forest management activities on subsistence use opportunities?

3) What is the habitat base needed to produce the desired subsistence resource(s) in traditional subsistence use areas?

4) At what point do Forest management activities begin to restrict or enhance subsistence use opportunities and lifestyles?

5) Should areas used for subsistence use be given special management emphasis? If so, how should these areas be managed?

6) What is the short-term, long-term, and cumulative effects of Forest Service activities on subsistence use opportunities over time? Are there measures that can be taken to mitigate these effects?

7) How should the location and development of facilities be coordinated?

8) What monitoring and evaluation requirements are needed to ensure that subsistence standards and guidelines are adequate, are being properly implemented, and comply with ANILCA Section 806? How should monitoring and evaluation results related to the effects of management activities on subsistence use opportunities be documented?

9) What levels of subsistence use should be accommodated over the long term, maintenance of existing levels or increased levels?

Indicators of Resolution:

1) Effects of Forest management activities on anadromous fish production, deer habitat, and other subsistence resource values in areas identified as supporting subsistence uses (short-term, long-term, and cumulative effects)

2) Standards and guidelines for:
- locating/constructing roads, terminal transfer facilities and timber harvest units (Note: These standards and guidelines will lead to subsistence evaluation criteria and monitoring requirements)
- management of subsistence use areas

3) Local community sentiment regarding their subsistence use opportunities and their lifestyle needs and desires

4) The amount of accessible land and habitats in a suitable condition to provide the subsistence resources in demand

5) Monitoring and evaluation requirements to ensure that subsistence objectives are achieved, documented, and that the effects are as anticipated

Relationship to Other Issues:

#1 Recreation Management
#2 Wilderness Management
#4 Wildlife Habitat Management
#5 Fish Habitat Management
#7 Regional and Community Economic Development and Structure
#9 Coordinating Timber Management Activities with Other Resources
#13 Transportation Systems and Road Management

Issue Statement #7 - Regional and Community Economic Development and Structure

What should the Forest Service do to ensure that its activities promote regional and community economic development and structure and maintain the kinds of lifestyles desired by individual Southeast Alaska communities?

Background/Present Situation - Dependancy on the land as part of one's livelihood is an economic fact of life throughout much of Southeast Alaska. Because of this dependancy, management of the Tongass National Forest has been, and continues to be, deeply entangled with the issue of regional and community economic development and structure. Minor changes in Forest programs can cause major changes in the economic and social structure of a community.

Early efforts by the Forest Service to establish a timber processing industry in Southeast Alaska were viewed as a means of promoting stable year-round employment. The assumed stability of such employment was expected to help maintain the desired lifestyles in some communities. However, since that time, State land selections authorized by the Alaska Statehood Act of 1958 have resulted in the emergence of numerous remote communities throughout Southeast Alaska. These communities are diverse both in terms of their economic and social structure and in terms of their attitudes towards Forest management activities. The stability and structure of some communities is directly influenced by Forest management activities while other communities are not as directly dependent nor affected by such activities. Differences in community objectives and perceived needs can result in conflicts between one or more communities and the Forest Service.

Comment Summary - As might be expected, views on this issue are divided. Some argue that the cyclical nature of the timber industry (e.g. the recession of the last five years) is more destabilizing to dependent communities than those communities more dependent upon other industries. Some contend that the harvesting of timber threatens those resources most important to traditional lifestyles. Still others argue that the timber industry is the most critical component of the regional economic base. Some contend the Forest Service equates regional and community economic development and structure with timber employment, and pays too little attention to the role of such evolving industries as tourism, and how these industries may be adversely affected by timber harvest and road construction.

Results of Applying Screening Criteria:

Resolvability: This issue, like other issues, is symbolic of the broader issue of 'development versus preservation' of specific areas of the Forest. As such, the issue can never be fully resolved. Steps can be taken, however, to ensure that the revised Forest Plan addresses the needs of communities, and that the effects of forest plan alternatives on regional and community economic development and structure considers a range of forest-dependent industries (i.e. not limited to communities dependent upon the timber industry).

Scope of Issue: The issue is both Forest-wide and local, and is directly affected by Forest management activities.

Duration: The issue is long-term in nature.

Intensity: The intensity and polarization of emotions surrounding this issue continue to grow, especially during this period of economic decline. Much of this has been fueled by regional and national media attention in response to recent Congressional oversight hearings related to the Tongass and ANILCA, and the introduction of the Timber Tongass Reform Act in Congress.

Consequences of Not Addressing This Issue: Significant unanticipated shifts in community size and structure may result from implementing Forest management programs not adequately coordinated with community needs. This can result in increased resistance to Forest Service activities in the form of litigation and appeals. In addition, opportunities to provide for greater regional and community economic development and structure through the development of diversified economies may be foregone.

Associated Planning Questions:

1) What are the most appropriate measures of regional and community economic development and structure?

2) What level of regional and community economic development and structure is desired by the various communities in southeast Alaska?

3) How do roads affect regional and community economic development and structure?

4) What opportunities exist for developing transportation networks that are responsive to local community needs?

5) What role do non-timber industries play on regional and community economic development and structure?

6) How is regional and community economic development and structure affected by changes in timber harvest volume, species mix, harvest intensity, harvest location, and increased dependance on timber stands that are more costly to access?

7) How is regional and community economic development and structure influenced by other Forest management practices such as those related to recreation and fish and wildlife management?

8) How do the long-term and short-term timber sale contract programs affect regional and community economic development and structure? Are changes needed?

9) What impact does the primary processing regulation have on regional and community economic development and structure?

10) How do 'below cost' timber sales affect regional and community economic development and structure?

11) What are the short-term, long-term, and cumulative effects of Forest management activities on small emerging communities and how should these effects influence future management on the Tongass National Forest?

12) What are the regional and community economic development and structure objectives, and how can Forest management can help attain these objectives?

Indicators of Resolution:

1) Local community sentiment regarding their needs and desires for regional and community economic development and structure and support for the selected alternative

2) Regional and community economic development and structure objectives and related standards and guidelines that are to be considered when implementing the Forest Plan

3) Payments to local governments

4) Net cash flow (receipts) associated with all programs and activities on the Forest

5) Non-cash or consumer benefit estimates (benefits received by users without payment) over 50 year time period

6) Economic evaluation of employment and earnings impacts associated with the Forest Plan alternatives

7) Changes in community population characteristics and social structure

8) Changes in community attitudes, values and beliefs

9) Changes in land use patterns

10) Monitoring and evaluation requirements to ensure that regional and community economic development and structure objectives are achieved, documented, and that the effects are as anticipated

Relationship to Other Issues:

#1 Recreation Management
#3 Management of Specially Designated Areas
#6 Subsistence Uses and Lifestyles
#8 Timber Harvest Economics
#9 Coordinating Timber Management Activities with Other Resources
#10 Long-term/Short-term Timber Sales Programs
#11 Minerals/Energy Management
#12 Coordination With Other Land Owners
#13 Transportation Systems and Road Management

Issue Statement #8 - Timber Harvest Economics

What actions should the Forest Service take to improve timber harvest economics on the Tongass National Forest?

Background/Present Situation - Although the overall demand for logs from Southeast Alaska has remained relatively constant, the demand for logs from National Forest timber sales has declined dramatically since 1980 in response to poor market conditions for processed timber products and the entrance of other timber suppliers into the marketplace. Despite the recent upturn in timber markets, the dollar value of National Forest timber has paralleled this decline. For example, since 1980 the composite value of wood products made from Tongass National Forest timber has dropped nearly $200 per thousand board feet. With these lower values, the relative cost of harvesting and processing National Forest timber has become prohibitively expensive. In many cases, timber harvest activities, which were profitable in the past, are now losing money. Timber sales from the Forest are often sold at base rates and may not cover the costs incurred by the Federal Government in preparing the sales (termed 'Below Cost Sales'). This is occurring at a time when budget deficits are undergoing increasing national scrutiny.

On the Tongass this issue is reflected in questions ranging from what the Forest should do to reduce harvest costs, to the more basic issue of whether a timber industry is viable in Southeast Alaska given present market conditions.

A recent letter from the Chief of the Forest Service discusses the relationship of market conditions and the calculation of the allowable sale quantity (ASQ) of timber from National Forests. Within the overall resource objectives of the Forest Plan, the ASQ will be calculated using forest lands identified as being suitable for timber production under best projected market demand. The ASQ will be based on the total suitable land base and will serve as a timber supply "ceiling" (i.e. maximum sale quantity possible). Actual timber sale offerings will be based upon prevailing market conditions. The Forest Plan will explicitly identify those areas of the Forest that will be added or postponed from the sale schedule under varying market conditions. If demand falls, sale offerings will be reduced. Conversely, if demand increases, so will the level of timber sale offerings, up to the ASQ.

Comment Summary - Public comments are split on this issue. Some argue that, due to the current market depression, the Forest Service should reduce the timber harvest rate, particularly in those areas where harvesting conflicts with other resource values. They also feel that some of the cost reduction measures being proposed may adversely affect other resource values. Still others feel that the Forest Service has a responsibility to do more to reduce the costs of timber harvest from federal lands and to provide timber sales that are more economically viable through the use of Tongass Timber Supply Funds. Those requesting such funding feel it is needed to offset costs currently borne by timber purchasers to make marginal stands more economically viable, and to protect other resource values.

Results of Applying Screening Criteria:

Resolvability: This issue is complex and involves all levels of the Forest Service organization. The Forest Plan can establish a timber sale schedule which is responsive to changing market conditions. Also, management standards and guidelines can be designed to improve the cost efficiency of timber harvest activities while still protecting other resource values.

Scope of Issue: Issues surrounding timber harvest economics are national, regional and local in nature. Recent reports by the timber industry and those of both national and local environmental groups have focused particular attention on the economics of timber management on the Tongass National Forest.

Duration: This will remain a major long-term issue.

Intensity: The issue has grown in intensity due to the various interest group reports and the recent Congressional oversight hearings related to ANILCA. Companion bills have been introduced in both the U.S. House of Representatives and Senate (Tongass Timber Reform Act, HR-1516 and S-708) which would eliminate special funding provisions in ANILCA for maintaining timber supplies from the Tongass National Forest at a rate of 4.5 billion board feet per decade.

Consequences of Not Addressing This Issue: The Forest Service exerts little control over market conditions. However, Forest Service harvest requirements can affect the economics of individual timber sales. Failure to implement actions that would reduce harvest costs while maintaining other resource values could contribute to a further decline in the timber industry of Southeast Alaska.

Associated Planning Questions:

1) How much old-growth timber lands are suitable for timber production and where is it located? What is the current and future demand for old-growth timber from the Tongass? What is the demand for second-growth timber? Under what assumptions are these demand projections based?

2) Can the Forest Service supply the levels of timber necessary to meet demand without unacceptable effects on other resource values?

3) What are the implications of existing harvest patterns (volume class mix, species mix, harvest intensity and location) on the economic viability of timber sales in the future?

4) Should harvest distribution by species mix, volume and age class, and intensity be allowed to vary in relation to market demand?

5) When and to what degree should anticipated second growth harvest offset the harvest of existing old growth?

6) Should departures from non-declining even flow be permitted in response to short-term changes in market conditions?

7) Under what market conditions (timber demand) shall those areas of the Forest identified as suitable for timber sale preparation actually be offered for sale?

8) What effects do the primary manufacturing regulations have on timber sale economics? Should these regulations be modified? If so, how?

9) How does timber from the Tongass compete with that from other Southeast Alaska suppliers (i.e. native round log exports)? From Canadian exporters?

10) Should changes be made in the existing standards and guidelines associated with clearcut size, timber utilization standards, and reforestation requirements in an effort to reduce harvest costs? If so, what should the changes be in light of other resource values?

11) Should road engineering standards and resource protection measures be modified in an effort to reduce harvest costs? If so, what should these changes be, and at what level of the Forest Service organization should they be implemented?

12) What role should the Tongass Timber Supply Fund (TTSF) play in reducing harvest costs? Should it be used to protect high-value wildlife and fish habitat by improving timber sale economics in areas with low-value habitat?

13) Should pre-roading and/or road construction augmentation continue as a means of improving the economic viability of timber sales? If so, where should pre-roading be applied, to access what types of timber, and under what conditions?

14) To what degree should harvest units be concentrated to reduce roading costs?

15) What silvicultural practices and harvest systems should be employed to reduce harvest costs?

16) How can harvest unit layout be modified to minimize the isolation of remaining timber stands?

17) Can standards and guidelines for terminal transfer facilities and logging camp locations be modified to reduce costs?

18) To what extent and in what manner should the issue of below cost timber sales be addressed?

19) What are the timber resource objectives (e.g. harvest location, density and scheduling)?

20) How will the Plan incorporate/facilitate the Timber Sale Program Information Reporting System (TSPIRS)?

Indicators of Resolution:

1) Supply of timber (Allowable Sale Quantity) and the offer level (Base Sale Schedule) in relation to the demand for such products

2) The productive forest land found to be suitable/unsuitable for timber management activities and the effects of these determinations upon the allowable sale quantity

3) Standards and guidelines for:
   - roading
   - utilization
   - cleanup
   - coordination with other resources
   - harvest unit dispersion (i.e. location, size, scheduling, and relationship to adjacent stands over time)

4) Cost effectiveness of various silvicultural practices (e.g. precommercial thinning)

5) Net cash flow associated with the timber program (MM $)

6) First decade allowable sale quantity of timber (MMBF & MMCF)

7) Long Range Sustained Yield (MMCF) and the decade this is achieved

8) Timber employment (jobs associated with timber harvest on National Forest System lands)

9) Lands identified as being tentatively suitable for timber production but were eliminated for economic reasons (m acres)

10) Monitoring and evaluation requirements to assess and document the economic effects of timber harvest and to ensure that the effects are as anticipated

Relationship to Other Issues:

#2 Wilderness Management
#7 Regional and Community Economic Development and Structure
#9 Coordinating Timber Management Activities with Other Resources
#10 Long-term/Short-term Timber Sales Programs
#12 Coordination With Other Land Owners
#13 Transportation Systems and Road Management

Issue Statement #9 - Coordinating Timber Management Activities with Other Resources

What level and rate of timber sale offer is appropriate, and under what conditions, in order to meet desired objectives for other resources?

Background/Present Situation - Timber harvest activities on the Tongass National Forest include road construction, logging, and terminal transfer facility construction for transferring logs from land to water, and such post-harvest activities as slash cleanup, reforestation, various treatments of regenerated stands (pre-commercial thinning), insect and disease management, and mitigation and enhancement activities for all resources. Without proper coordination, timber management activities can adversely affect other resource values on the Forest. Among these affected resources are visual quality, fish habitat, marine or estuarine habitat, water quality, wildlife habitat, soil productivity and stability, recreation use opportunities, cultural resources and subsistence use opportunities.

A variety of planning documents have been developed on the Tongass National Forest to direct resource coordination activities related to timber management. The Southeast Alaska Area Guide (1977) and the Alaska Regional Guide (1983) established general management guidelines. The existing Forest Plan (referred to as the Tongass Land Management Plan or TLMP), as amended, provided more specific direction and described four Land Use Designations (LUDs) on the Forest. These LUDs provided direction on management emphasis and the type and intensity of activities for different areas of Forest timber management activities.

While the Forest Plan considered both the long-term and short-term sales in establishing an allowable sale quantity of 4.5 billion board feet per decade (450 million board feet per year), other resource objectives were not as well defined in the analysis (i.e. in terms of their location). This has resulted in implementation difficulties and the need to expand coordination of proposed timber management activities with those other resource values.

Comment Summary - Public comment is mixed concerning the desired level of timber management coordination with other resources. Concern has been expressed that the standards and guidelines contained in existing planning documents are not being adequately implemented. Some note that existing monitoring and evaluation requirements, though described, either do not take place as directed or the results are not adequately documented. Some feel that the Forest Plan established too much LUD IV area, resulting in an over-emphasis of commodity resources at the expense of such non-commodity resources as visual quality, recreation, wildlife habitat, fish habitat, and wilderness. Still others are concerned that existing standards, guidelines and land use designations are too stringent, and that additional protection measures are unnecessary, leading to increased timber harvest costs.

The Alaska Department of Fish and Game has expressed concern that the Regional Guide silvicultural standard for an 'opening' (a requirement that, once harvested, stands must be restocked with 5' tall trees within 15 years) is being inappropriately applied as a standard for other resource values. Specifically, the agency feels this standard does not accurately reflect the ecological function of young stands from the standpoint of wildlife habitat. Biologist with the agency have asked that clearcut size and length along streams be based on a revised definition of maximum age and minimum height.

Results of Applying Screening Criteria:

Resolvability: This issue is complex, pitting resource development interests against those supporting resource preservation. It is unlikely that this issue will be totally resolved. However, those coordination issues related to management prescriptions, standards and guidelines, and land allocations can be addressed during Forest Plan revision.

Scope of Issue: Issues surrounding the coordination of timber management with other resource values are national, regional and local in scope. Recent reports, prepared by both the timber industry and national and local environmental groups, have focused particular attention on the management of the Tongass National Forest.

Duration: This issue will continue to be long-term due to philosophical differences between resource development and preservation interests.

Intensity: The issue has grown in intensity as a result of various interest group reports, recent Congressional oversight hearings related to ANILCA, Section 706(b), and the introduction of the Tongass Timber Reform Act in both the U.S. House of Representatives and Senate.

Consequences of Not Addressing This Issue: Failure to address this issue may result in undesired resource impacts, program inefficiencies and noncompliance with NFMA.

Associated Planning Questions:

1) How do timber management activities affect resources important to such other industries as recreation, tourism, mining and commercial fishing?

2) What silvicultural systems or mitigation measures are available, how likely are they to be funded and implemented, and how effective are they in reducing the adverse effects of timber management activities on other resource values (e.g. precommercial thinning, commercial thinning, prescribed fire, slash treatment, large woody debris management, other)? How should the adverse effects of such activities be minimized? How can timber management activities be used to enhance these resources?

3) How should riparian areas adjacent to fish spawning and rearing habitat be managed? How should other riparian areas be managed?

4) What actions are necessary to meet State of Alaska water quality requirements? What standards and guidelines are needed?

5) How should timber harvests within important watersheds be scheduled to provide adequate flows and water quality for fish habitat management (e.g. seasonal timing restrictions, overall harvest schedule)?

6) How should the different seral stages (i.e. old growth, young growth, other) on the Forest be managed for dependent wildlife species?

7) Can the Tongass supply the timber required under the long-term timber sale contracts and by ANILCA (i.e. the 705(a) provision for a supply of 4.5 billion board feet per decade) and still meet other resource management objectives? If not, where should the trade-offs occur?

8) How should soils resource information (productivity, stability, slope, erodibility, other) affect timber suitability determinations?

9) How should lands adjacent to estuaries, tidal flats, grasslands, alpine areas, muskeg, lakes, beaches and other habitat areas be managed?

10) What are the visual quality, recreation, fish, and wildlife management objectives for the Forest and how are these resource values affected by timber management?

11) What monitoring and evaluation requirements are needed to determine if:
- the Forest Plan is being properly implemented,
- standards and guidelines are meeting the intent of various resource management objectives
- the physical, biological, social and economic effects are as estimated?

12) How should monitoring and evaluation results be documented and how will the resulting data be used to influence management activities?

13) What standards and guidelines are needed to ensure that timber sale planning and design adequately consider windfirmness of adjacent unharvested stands?

14) Other than clearcutting, what other cutting methods (e.g. partial cut, uneven-aged management) should be used to achieve other resource values?

15) What insect and disease management activities are needed and how should these activities be coordinated with other resource values?

16) What silvicultural systems enhance management objectives for long-term site productivity?

Indicators of Resolution:

1) Standards and guidelines for coordinating timber harvest with other resources, including harvest method, timing, and 'opening' definitions that reflect other resource values

2) Development of management objectives for visual quality, fish habitat, wildlife habitat, recreation, subsistence, and water quality, among other resource values

3) Monitoring and evaluation requirements to determine and document whether timber management coordination requirements and mitigation measures are being achieved, whether they are effective in meeting the various resource objectives, and whether the effects are as anticipated

4) Management prescriptions applied to lands adjacent to estuaries, tidal flats, grasslands, alpine areas, muskeg, lakes, beaches and other habitat areas

5) Short-term, long-term, and cumulative effects of timber harvest schedules and standards and guidelines on visual quality, fish habitat and production, wildlife habitat, cultural resources, recreation opportunities, regional and community economic development and structure, and other resource values

6) Lands identified as suitable for timber production

Relationship to Other Issues:

#1 Recreation Management
#3 Management of Specially Designated Areas
#4 Wildlife Habitat Management
#5 Fish Habitat Management
#6 Subsistence Uses and Lifestyles
#7 Regional and Community Economic Development and Structure
#8 Timber Harvest Economics
#10 Long-term/Short-term Timber Sales Programs
#13 Transportation Systems and Road Management

Issue Statement #10 - Long-term/Short-term Timber Sales Programs

What should be the relationship between long-term and short-term timber sale programs on the Tongass National Forest?

ckground/Present Situation - Currently, timber sales on the Tongass National orest are divided into two components: timber sales purchased under 50-year contracts; and an annual program of short-term timber sales, 7 years or less in duration. The long-term contracts were established in the 1950's by the Forest Service to provide a means of diversifying and stabilizing the economy of Southeast Alaska. Today, two of the long-term contracts are still in effect. Under the provisions of their respective contracts, Ketchikan Pulp Company (KPC) is guaranteed 962 MMBF and Alaska Pulp Company (APC) is guaranteed 521 MMBF of new timber from the Tongass during each 5-year operating period. Timber that is not harvested during this period can be 'backlogged' under the APC contract. Under the KPC contract such volume can be 'carried over' into the next 5-year operating period. The primary difference between backlog and carry-over volume is that backlog continues to accumulate (i.e. volume that APC fails to harvest in one 5-year operating period is available in addition to the 521 MMBF contractual entitlement of the next 5-year operating period). KPC carry-over, on the other hand, can be included in the next 5-year period as part of the 962 MMBF.

In contrast to these long-term timber sales contracts, short-term timber sales are purchased on a sale by sale basis. Timber must be harvested within a certain time period, or the purchaser faces possible contract default. To a large extent, the short-term timber sale operators are dependent upon pulp market opportunities created through the long-term contracts. Differences in the two types of contracts, however have sparked controversy and dissatisfaction with various aspects of the timber sales program on the Tongass.

mment Summary - There are some who believe that the long-term contracts do not provide enough management flexibility to adequately address other resource values or changes in management emphasis. Since the execution of the long-term contracts, a number of laws (MUSY, NEPA, NFMA, ANILCA) have been enacted, resulting in land allocation changes and new regulations for affecting resource evaluation and mitigation activities. Some feel these changes are significant enough to invalidate the contracts and have urged that the contracts be terminated. In this regard, some have called for an evaluation of the long-term timber sale contracts in terms of the remaining 'life-of-sale' to assess the Forest's ability to meet both the contractual obligations and other legal and regulatory requirements.

Another area of concern focuses on the competitive relationship between the long and short-term contracts. Some feel the long-term contracts dominate the timber sales program and unfairly compete with small operators who purchase short-term timber sales. Concerns over anti-trust violations by APC and KPC ultimately led to a lawsuit by a short-term timber sale purchaser. The case was ruled in favor of the plantiff. Some feel the long-term contracts emphasize the timber resource at the expense of other resource values. In contrast, others feel that the establishment of a pulp industry in Southeast Alaska has benefited large and small operators alike by improving market opportunities. Some small operators have indicated that without the market opportunities created through the long-term contracts, they would take a loss on pulp grade materials.

Results of Applying Screening Criteria:

Resolvability: Cancellation of the long-term contracts would require bi-lateral agreement in accordance with existing contract provisions and, thus, cannot be addressed in the revised Forest Plan. However, the impact of changes in the contracts or their elimination can be analyzed. Also, recommendations for contract changes can be made in the Forest Plan.

Scope: The issue is both forest-wide and site-specific since each contract covers a different geographic area of the Tongass. Actual modification or cancellation of the long-term contracts is beyond the scope of the Forest Plan (see Attachment 1 below). The impacts of any contract changes, however, can be analyzed in the development of forest plan alternatives.

Duration: The issue will persist as long as the contracts are still in force (until the year 2004 for KPC and the year 2011 for APC).

Intensity: The issue has grown in intensity, largely due to the poor market conditions for both sawn products and dissolving pulp.

Consequences of Not Addressing This Issue: There is some concern that failure to address this issue may result in the disappearance of a viable short-term timber sales program on the Tongass. Failure to address this issue may also result in NFMA non-compliance and may complicate NEPA related analyses.

Associated Planning Questions:

1) How will existing 5-year Operating Plans and proposed 'life-of-sale' plans for each of the long-term timber sale contracts be reflected/incorporated in the revised Forest Plan.

2) What are the long run effects of long-term contract carry-over and back-log volume on future sale area lay-out and volume class distributions needed to meet contractual obligations?

3) Under what conditions will this back-log and carry-over volume be economically viable to harvest?

4) Will short-term timber sales be offered within long-term contract primary and contingency sale areas (i.e. dove-tailing sale areas so as to better achieve mutual contractual obligations and management objectives)?

5) How do timber harvest from long-term sale areas (both primary and contingency areas) affect harvest opportunities for short-term timber sales purchasers?

6) Have the enactment of MUSY, NEPA, NFMA, and ANILCA limited the Forest's ability to meet the long-term timber sale contractual obligations? Is there a need to modify the long-term sale areas (both primary and contingency areas) in order to better meet the requirements of these laws and of the long-term timber sale contracts?

7) Should the timber appraisal system be modified to provide for less variability between stumpage rates for long-term and short-term timber sales purchasers, particularly in rising and falling markets?

8) What are the effects of 'carry-over' and 'back-log' on other Forest resource values?

9) How should the transportation system be modified to account for carry-over and back-log from the long-term contracts?

10) How will changes in land allocations and management prescriptions affect the land base available to long-term sale contracts? To short-term timber sales purchasers?

11) Do TTSF expenditures benefit the long-term timber sale purchasers more than the purchasers of short-term timber sales? If so, should this change and how?

12) Do the long-term contracts have different effects upon regional and community economic development and structure than the short-term timber sales program? If so, what are these differences? Is there a need for change? If so, what changes are needed?

Indicators of Resolution

1) Scheduling of timber harvest activities for short-term timber sales vs. long-term timber sale contracts

2) Net cash flow associated with the short-term timber sale program and the long-term timber sale contracts

3) Management emphasis and management prescriptions applied to currently unroaded lands in relation to the primary and contingency sale areas of the long-term timber sale contracts

4) The location of transportation systems, existing or proposed, in relation to the primary and contingency sale areas of the long-term timber sale contracts

5) Regional management direction for timber sale appraisal

6) The economic and social effects of timber harvest under the two long-term timber sales contracts

7) The identification of contractual changes to be negotiated with the long-term timber sale contractors (e.g. changes in the primary and contingency sale areas boundaries)

8) Monitoring and evaluation requirements to ensure that timber sales program objectives are achieved, documented, and that the effects are as anticipated

Relationship to Other Issues:

#1 Recreation Management
#4 Wildlife Habitat Management
#5 Fish Habitat Management
#7 Regional and Community Economic Development and Structure
#8 Timber Harvest Economics
#9 Coordinating Timber Management Activities with Other Resources
#13 Transportation Systems and Road Management

Issue Statement #11 - Minerals/Energy Management

How should the Forest Service resolve conflicts between minerals and energy development and other resource uses on the Tongass National Forest?

Background/Present Situation - The Tongass National Forest provides a wide range of opportunities for minerals and energy resource development. The NFMA gives specific direction for consideration of mineral exploration and development in the management of the National Forests. This includes identifying the probable effect of renewable resource prescriptions and management direction on mineral resources and activities. This issue includes concerns regarding the inventory and identification of mineral/energy deposits and geologic features; exploration and development of deposits and access to deposits or existing claims; coordination with other governmental agencies and land owners; affects on other resources; and the development of standards and guidelines for mineral/energy development. Special provisions within ANILCA helped resolve some site-specific concerns for mineral and energy development.

Comment Summary - Given the potential for resource conflicts, there is concern about how mineral and energy resource development might adversely affect other resource values, and how best to minimize these effects. Specifically, there is concern regarding the possible effects on visual, wildlife and fisheries resources, and water quality, and the lack of monitoring and evaluation requirements for such development. Some feel that existing monitoring and evaluation requirements either do not take place as directed or, if they do, the results are not adequately documented. Others feel that unnecessary and overly protective environmental restrictions to exploration and development exist. In addition, active participation by the mineral industry in the land management planning process may be self defeating for their goals and interests. For instance, if they identify an area as having significant mineral potential, other interests may identify the area as prime candidates for wilderness designation. Despite the provisions in ANILCA, the Greens Creek and U.S. Borax proposals remain controversial regarding potential adverse effects on other resources at these sites and on adjacent lands.

Results of Applying Screening Requirements

Resolvability: The Revised Forest Plan provides an opportunity to identify minerals and energy resource development opportunities. Land allocations established in the revised plan can influence the nature and extent of development activities. Also, management standards and guidelines established in the revised plan can direct subsequent site-specific analyses.

Scope of issue: This issue is national, regional, Forest-wide and site specific in nature.

Duration: The issue is long-term in nature.

Intensity: The intensity of the issue is directly related to the level of minerals/energy exploration and development on the Tongass, consideration of proposals of wilderness/mineral withdrawals, and the level of effort made to inform the concerned public. The level of exploration activity is a function of all aspects of world market conditions and perceived restraints to development on the Tongass. In general, exploration activities on the Tongass have been increasing for precious metals, rare earths, and chemical grade industrial minerals.

Consequences of Not Addressing This Issue: Lack of direction in the Forest Plan regarding management of minerals/energy development can directly affect both the level of development and the suitability of land for other uses. Failure to address this issue could result in greater resource conflicts in the future, particularly if world markets or political conditions change in a manner that focuses mineral/energy development on southeast Alaska.

Associated Planning Questions:

1) What areas of the Forest have the greatest potential for minerals/energy development? What other resource values are associated with these areas?

2) How does minerals/energy development affect other resource values such as water and visual quality, wilderness, soils, recreation, fish and wildlife habitat, and timber production?

3) What mitigation measures are effective in reducing the adverse effects of minerals/energy development on other resource values? How should the adverse effects of minerals/energy development be minimized?

4) Do opportunities exist for coordinating road construction and other development activities (e.g. timber sales) with minerals/energy development?

5) What role should the Tongass play in meeting local, regional, national and international demands for minerals/energy products?

6) How should lands adjacent to minerals/energy operations be managed?

7) What are the economic effects of minerals/energy development?

8) How should minerals/energy development be coordinated with other governmental agencies, other land owners, and adjacent communities?

9) What monitoring and evaluation requirements are needed to ensure that minerals/energy standards and guidelines are adequate, are being properly implemented, and comply with NFMA and NEPA? How should monitoring and evaluation results be documented?

10) What types of mineral/energy deposits or geologic features occur on the Tongass? What attributes indicate the presence of these deposits/features? What is the mineral potential of each capability area?

Indicators of Resolution:

1) Cost-share agreements, Memorandums of Understanding and other forms of coordination and/or coordinating requirements with other governmental agencies, land owners, and/or adjacent communities during the analysis of minerals/energy development proposals

2) Standards and guidelines for minerals/energy development

3) Demand projections for Tongass minerals/energy resources

4) Forest minerals/energy/geologic resource inventory mapped at a scale of 1:63,630 similar in detail to inventories for other resources.

5) Management prescriptions for surface resources of lands with known minerals/energy deposits and for lands adjacent to such deposits

6) Employment effects associated with minerals/energy development on the Forest

7) Identification and coordinated scheduling of other resource activities compatible with minerals/energy development

8) Monitoring and evaluation requirements to determine and document whether minerals/energy standards and guidelines and mitigation measures are being achieved, whether they are effective in meeting the various resource objectives, and whether the effects are as anticipated

Relationship to Other Issues:

#1 Recreation Management
#2 Wilderness Management
#3 Management of Specially Designated Areas
#4 Wildlife Habitat Management
#5 Fish Habitat Management
#7 Regional and Community Economic Development and Structure
#12 Coordination With Other Land Owners
#13 Transportation Systems and Road Management

Issue Statement #12 - Coordination With Other Land Owners

What actions should the Forest Service take to coordinate management activities with other land owners?

Background/Present Situation - In the past 30 years there has been a variety of changes in land ownership in Southeast Alaska. ANILCA (1980), the Alaska Statehood Act (1958), and the Alaska Native Claims Settlement Act (1971) all changed the amount of land under Forest Service management. The amount of land now under private and state/local government ownership has increased substantially with additional State selections pending. From a forest planning perspective, a changing land ownership pattern can complicate the management situation due to the need for added coordination. However, changing land ownership patterns can result in new opportunities for cooperative management. Some of the many land use and ownership variables that affect management on the Tongass are: 1) State of Alaska management of land and water, 2) Alaska Coastal Management Program compliance, 3) community development plans, 4) municipal watersheds, 5) possible additional native land selections, 6) management of National Forest System lands near or adjacent to communities, 7) location and completion of the permit process for terminal transfer facilities, and 8) shared responsibility for transportation system development. These all affect the way in which management activities take place.

Comment Summary - The dramatic shift in land ownership patterns has, in some cases, increased the controversy surrounding Forest management activities in areas adjacent to lands under non-Forest Service ownership. Coordination with other owners, who are often widely dispersed and of differing opinions, is not an easy task. Some publics feel that this coordination is not being satisfactorily accomplished. The belief is that this lack of coordination is causing land management planning to become disjointed, with differing and sometimes conflicting goals and practices being applied to the same area.

Results of Applying Screening Criteria:

Resolvability: Coordination with other land owners is a continuing process. As such, related issues will not be fully resolved through the revised Forest Plan. However, planning criteria developed in the revised Forest Plan and through subsequent site-specific analyses can define a process for streamlining such coordination.

Scope of Issue: The issue of coordination with other land owners is Forest-wide, but has greatest significance at the local level.

Duration: The issue is long-term in nature.

Intensity: Intensity over the issue continues to grow as the number of different land owners grows. The increase in private ownership means that the issue has taken on a 'personal' dimension, whereby Forest Service actions are viewed as competing or conflicting with private uses.

Consequences of Not Addressing This Issue: Unless steps are taken to coordinate with adjacent land owners, the Forest Service is likely to encounter increased resistance to its activities in the form of litigation and appeals. Coordination with adjacent land owners is necessary to meet the intent of NFMA. For example, the 9th Circuit Court decision on the Mapleton case emphasized the need to address NEPA consequences of cumulative effects.

From a budgetary standpoint, a lack of coordination may result in duplication of facilities and unnecessary expenditures.

Associated Planning Questions:

1) What influence should the harvest of non-federal timber in southeast Alaska have on timber sale offerings from the Tongass National Forest?

2) What steps should be taken to resolve conflicts between uses of National Forest System lands and uses of lands under non-federal ownership?

3) How should the cumulative effects of both Forest management activities and the activities of other land owners be evaluated? How should these cumulative effects influence activity scheduling on the Tongass?

4) How should the placement and location of roads, terminal transfer facilities, logging camps, recreation cabins, and other facilities be coordinated with other land owners to minimize conflicts, reduce costs, avoid duplication, and develop cooperative uses?

5) How should the various federal, state, and local laws, regulations, policies, and management plans be integrated into the revised Forest Plan (e.g. Executive Orders 11988 and 11990, NFMA, NEPA, ANILCA, tidelands management, Coastal Zone Management Act, community develop plans)?

6) How should fisheries and wildlife management and enhancement projects on the Forest be coordinated with the State of Alaska and private entities?

7) What lands have been identified for selection but not yet conveyed? What will be the effect of conveyance of such lands?

8) How should the special use permit process be coordinated with the State of Alaska and other governmental agencies? With adjacent and/or affected land owners?

9) What cooperative fire management agreement exist (e.g. interagency fire management plans, other)? What additional agreements/changes are needed?

Indicators of Resolution:

1) Standards and guidelines for:
   - placement and location of roads
   - placement and location of terminal transfer facilities
   - placement and location of logging camps
   - placement and location of recreation facilities
   - maintenance/protection of community water supplies
   - management of lands adjacent to private, state and municipal lands

2) Cost-share agreements, Memorandums of Understanding and other forms of coordination and/or coordinating requirements with private and public entities/government agencies

3) Recognition of private timber harvest in determining the allowable sale quantity

4) Public involvement plans for coordinating scheduled activities

5) Monitoring and evaluation requirements to ensure that coordination is being achieved, documented, and that the effects are as anticipated

Relationship to Other Issues:

#1 Recreation Management
#3 Management of Specially Designated Areas
#2 Wilderness Management
#4 Wildlife Habitat Management
#5 Fish Habitat Management
#7 Regional and Community Economic Development and Structure
#8 Timber Harvest Economics
#11 Minerals/Energy Management
#13 Transportation Systems and Road Management

Issue Statement #13 - Transportation Systems and Road Management

- **Where should transportation systems be planned and constructed, and how should they be managed on the Tongass National Forest?**

Background/Present Situation - The transportation system in Southeast Alaska evolved almost entirely to facilitate timber harvest in Southeast Alaska. Most roads provide limited access from existing terminal transfer facilities to surrounding timber harvest units, and are not connected to small communities. However, in some areas, such as Prince of Wales Island, transportation networks have been developed between various terminal transfer facilities and existing communities. New small communities have also developed on State lands and are accessed by these transportation networks. Today, some of the Forest roads accessing island communities have been upgraded and incorporated into the State Highway system; a trend that is expected to continue in the future.

The effects of road and terminal transfer facility construction on other resource values are highly variable. Some roads have increased public access and management opportunities for fish and wildlife habitat, and subsistence and recreation use. Others serve to increase the economic opportunities available to small, emerging communities. In other areas, however, roads have concentrated use and increased competition for limited fish, wildlife and recreation resources. Not all communities view transportation networks as a benefit. For some of these small Southeast Alaskan communities, their relative isolation and limited access make them an attractive place to live.

Comment Summary - Public comment has focused considerable attention on the need for comprehensive planning regarding terminal transfer facilities and the overall road system. Uncertainty exists over where roads will be built in the future or whether they will be available for public use. The public is divided as to how road systems should be planned. Some favor inter-connected road systems with timber haul to common log dumps, while others favor isolated road systems, no inter-connection, and more log dumps (permanent and temporary). There is some sentiment that transportation systems are constructed regardless of need, cost, or the effects on other resource values. Other concerns relate to the need to better coordinate terminal transfer facility location and construction standards with other resource values. Still others feel that not enough is being done to provide low cost timber access to improve the economic viability of timber sales. Some have suggested that transportation analyses be developed and displayed for each alternative.

Results of Applying Screening Criteria:

Resolvability: This issue can be largely resolved through Forest Plan revision and implementation (project analysis). By providing direction for a more comprehensive transportation system analysis, the Forest Plan can address this issue through transportation system development scheduling and the associated management standards and guidelines.

Scope of Issue: The issues surrounding terminal transfer facilities, road development and maintenance are both Forest-wide and local in nature, with most of the issues being site-specific. Roading on National Forest System lands is a major national issue as well.

Duration: This will remain a long-term issue.

Intensity: This issue has grown in intensity as reflected by the increased number of appeals on projects involving road construction activities on the Tongass.

Consequences of Not Addressing This Issue: Delay in addressing these issues may preclude implementation of various management options and opportunities that will benefit other resources and improve timber harvest economics (i.e. avoid isolation of timber stands, making them uneconomical to harvest at a later date). In addition, if the issues associated with transportation planning are not addressed, there may be localized adverse impacts to anadromous fisheries, wildlife populations, visual quality, recreation and subsistence use opportunities, and community lifestyles.

Associated Planning Questions:

1) What are the projected transportation needs for Southeast Alaska? What are the existing transportation system objectives for the Forest? What should the objectives be?

2) How will the public be involved in planning and developing a transportation system on the Forest?

3) What are the short-term, long-term, and cumulative effects of road and terminal transfer facility location, construction and management?

4) How should access and transportation systems development (including pre-roading) on the Tongass be coordinated with other resource needs (e.g. timber, minerals and energy development, utility corridors, recreation, and fish and wildlife habitat)? How should adverse effects be mitigated? What seasonal timing considerations are needed to achieve other resource objectives?

5) How should the development and maintenance of transportation systems be coordinated with the needs and desires of local communities?

6) How should the frequency of timber harvest activity in a given area influence road maintenance levels?

7) How should road maintenance programs be coordinated with other resource needs (e.g. timber, minerals and energy development, recreation, fish and wildlife habitat)?

8) How is the Forest Service integrating transportation systems development with the State of Alaska?

9) Which roads will be closed to public access?

Indicators of Resolution:

1) Standards and guidelines for road and terminal transfer facility location, road density, travel access, construction, reconstruction, maintenance (including timing considerations), and for coordinating these activities with other resource values and objectives.

2) The short-term, long-term, and cumulative effects of terminal transfer facility and road construction and location on other resource values

3) Schedule for transportation system development

4) Unroaded areas assigned to roaded management

5) Monitoring and evaluation requirements to ensure that transportation system and road management objectives are achieved, documented, and that effects are as anticipated

Relationship To Other Issues:

#1 Recreation Management
#4 Wildlife Habitat Management
#5 Fish Habitat Management
#6 Subsistence Uses and Lifestyles
#7 Regional and Community Economic Development and Structure
#8 Timber Harvest Economics
#9 Coordinating Timber Management Activities with Other Resources
#10 Long-term/Short-term Timber Sales Programs
#11 Minerals/Energy Management
#12 Coordination With Other Land Owners

EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE

ATTACHMENT 1 - Issues Referred to the Washington Office

The following issues cannot be resolved at either the Forest or Regional level and are referred to the Washington Office of the Forest Service.

1) Alaska Native Claims Settlement Act (ANCSA) resolution.

2) Elimination/modification of APC-KPC Long-term contracts.

3) Modification of ANILCA (e.g. proposed amendments to the 705(a) provision regarding the Tongass Timber Supply Fund and the maintenance of a timber supply of 4.5 billion board feet per decade, changes in the definition of subsistence users). The Revision will provide data and establish resource management structure upon which Congress can base many of its decisions.

EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE

ATTACHMENT 2 - Issues Referred to the Regional Office

The following issues cannot be resolved at the Forest level and are referred to the Alaska Regional Office of the Forest Service.

1) Modification of Standards and Guidelines in the Alaska Regional Guide. (Management direction developed during the revision may result in the need to revise existing standards and guidelines contained in the Alaska Regional Guide.)

2) Include Alaska in the Old-Growth Forest Habitat Research and Development Program and initiate cooperative research to further describe vertebrate community ecology, species-specific habitat requirements, and the island ecology of the Region's old growth forests.

EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE

ATTACHMENT 3 - Issues Referred to Another Governmental Agency

Some of the issues identified are not within the responsibility of the Forest Service to resolve. While resolution of these issues may require considerable coordination with the Forest Service, the final decision rests with another agency.

1) Proposed deer reintroduction Conclusion Island.

The decision to proceed with deer reintroduction on Conclusion Island would be made by the Forest Service following coordination with the Alaska Department of Fish and Game. The state agency is responsible for wildlife population management. Future site-specific proposals to introduce wildlife will be usually be developed through Forest Plan implementation.

2) Low populations of deer on Kuiu Island, moose at Yakutat, elk on Etolin Island, and flying squirrels on Prince of Wales Island.

The Forest will need to coordinate with the Alaska Department of Fish and Game during the evaluation and identification of suitable habitat levels. More site-specific direction on habitat enhancement activities will be developed during Forest Plan implementation. This direction will assist in site-specific project analyses.

Regarding the Prince of Wales Flying Squirrel, identifying and listing threatened or endangered species is the responsibility of the U.S. Fish and Wildlife Service in cooperation with the Alaska Department of Fish and Game, and affected federal land management agencies. In addressing Issues #4 and #5, the revised Forest Plan will provide coordinating requirements intended to ensure that Forest management activities do not result in the eventual listing of species as threatened or endangered.

EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE

ATTACHMENT 4 - Issues Referred to Project Analysis

Given their site-specific nature, many issues are better addressed through Forest Plan implementation (project analysis). Even though some of these issues may be addressed on a broader level (Forest-wide) in the Forest Plan revision, they will also require additional site-specific analysis.

1) Road closure enforcement.

General direction for implementing road closures will be provided in the revised Forest Plan. Such site-specific coordination considerations as wildlife habitat will be defined during project analyses.

2) Alder and other vegetative invasion of seldom used roads makes them impassible for administrative use

While the Forest Plan will provide general direction for road management, site-specific management direction for levels of road maintenance will be defined during project analyses.

3) Project specific standards and guidelines.

The Alaska Department of Fish and Game and the Forest Service indicates that, during timber sale layout, there is a need to design leave strips between clearcuts (remaining stands) that can withstand strong wind storms. If this is not done, there is concern that subsequent windfall and salvage sales will result in clearcuts larger than the maximum standard. Presently, ADF&G prefers less risk of blowdown than the Forest Service is sometimes willing to accept. While forestwide standard and guidelines can require that leave strips be designed so that they are windfirm, actual design specifications must be addressed on a site or project specific basis.

EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE

ATTACHMENT 5 - Issue-Related Details to be Considered During the Formulation of Forest Plan Alternatives

During the drafting of Issue Statements, the Forest Plan IDT received site-specific comments. Though some of these issues may be addressed on a broader level (Forest-wide) in the Forest Plan revision, the issues will also provide the Forest Plan IDT with much of the site-specific detail needed to formulate Forest Plan alternatives and management prescriptions.

1) The location of saw/pulp mills in relation to the timber supply.

This information will be identified and evaluated when determining operator costs and the demand for timber -- refer to III.A.4. Pre-analyses Needed to Construct FORPLAN.

2) The need to recognize variations in both timber quality and quantity across the Tongass.

Such variations will be identified and incorporated in the database and analysis used to address Issue #8, among others.

3) The Koncor Mill was constructed given the understanding that 10-15 million board feet of timber would be available annually off the Tongass National Forest.

All mills and their locations and production capabilities will be used in the analysis of the current and future demand for timber.

4) The APC Long-term Timber Sale Contract generally eliminates independent timber operators from Chatham Area islands.

This issue will be addressed as part of Issue #10.

5) There is concern regarding the extensive amount of harvesting that has/is occurring in the Hoonah area watersheds.

Much of this is the result of harvest activities by a local native corporation. Specific Forest Service harvest unit layout will be addressed through project level analyses. However, the revised Forest Plan will identify levels of timber harvest by Area and will provide standards and guidelines for protection of other resources. This issue will be addressed to the degree possible as part of Issues #9 and #12.

6) Some have expressed that they do not want the Whitestone terminal transfer facility and logging camp developed.

Existing and potential terminal transfer facilities and camps will be identified in the database and addressed as part of Issues #6, #9, and #13.

7) Law enforcement costs.

These costs will be identified early in the process and will contribute to the present net value associated with each forest plan alternative and the budget needed for implementation.

8) The increasing number of Forest Service facilities throughout the Alaska Region and the resulting impact on budgets (i.e. insufficient funding to maintain existing facilities).

Facility construction and maintenance costs will be identified and evaluated for each forest plan alternative. These costs will assist in determining the present net value associated with each forest plan alternative and the budget needed for implementation.

9) Specific trails have been requested in the Pelican and Elfin Cove areas.

10) Camping areas near Hoonah have been requested.

11) Expansion of the Starrigavan Campground with improvements to make it usable to recreation vehicles.

12) Construction of parking area, trailhead facility, and boat launch at Situk River Landing.

13) Replacement of Sam Sing Cove recreation cabin.

For 9-13 above, recreation related demand and supply, potential recreation sites, and recreation facility construction and reconstruction needs will be defined early in the process and this information will be used to formulate forest plan alternatives.

14) Re-establishing the 'Peril Strait Scenic Trip' for visual resource protection along the Alaska Marine Highway near Stika.

Visual quality objectives and coordinating requirements will be identified in the revised Forest Plan for each Management Area.

15) Alaska Department of Fish and Game requested analysis of the effects of timber harvest deferrals (beyond 1989) in those areas identified as high value fish and wildlife habitat.

EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE EXAMPLE

ATTACHMENT 6 - Issues that Failed the Screening Criteria

The following issues were found to be outside the scope of existing Forest Service/other governmental agency authorities.

1) An example might be an issue relating management of the Tongass National Forest to the need for a constitutional amendment to balance the federal budget.

III. PLANNING CRITERIA -- 36 CFR 219.12(c)

The planning process for National Forests is divided into a number of process steps, each having a particular focus. In order to guide the planning process smoothly, it is necessary to describe the process and to establish some initial criteria associated with each step. These planning criteria are intended to ensure that sufficient attention is given existing legal requirements, and that the process is responsive to the public issues, management concerns and resource opportunities identified through formal public involvement.

The discussions to follow describe process and criteria for the seven NFMA planning process steps listed below.

A. Inventory Data and Information Collection
B. Analysis of the Management Situation
C. Formulation of Alternatives
D. Estimation of Effects
E. Evaluation of Alternatives
F. Forest Plan Implementation
G. Monitoring and Evaluation

A. Inventory Data and Information Collection -- 36 CFR 219.12(d)

Decisions made during and as a result of the revised Forest Plan will be based on the estimated outputs and effects of implementing a wide range of management activities on a wide range of land types. These outputs and effects will be determined from the best available information about the physical and biological characteristics of the Forest's differing land types. Though existing knowledge is varied and expansive, it has yet to be compiled in a manner that can be directly used during revision of the Forest Plan. In order for the Forest Plan IDT to make use of this information, it must first be assembled and stored in a manner that provides for easy access and use.

The actual type, amount and detail of data and information needed are a function of identified issues as well as the analytical methods and standards being employed. These issues identify public and/or Forest Service concerns related to the various resources and the associated production levels and/or protection measures. Analysis associated with the revised Forest Plan serves to determine: 1) the Forest's ability to produce goods and services; and 2) how various resources may be affected by the range of management prescriptions and alternatives being considered. Thus, data gathered in support of the revised Forest Plan must be useful in structuring the analysis necessary to make these determinations. This data must also be of use in Forest Plan implementation, budget development and other reporting requirements (e.g. RPA).

1. Information Needed to Address the Issues

The Issue Statements (refer to Section II) are preliminary issues and are intended solely as a means of assisting the Forest Plan IDT in proceeding with the Inventory Data and Information Collection step of the planning process. Based upon these preliminary Issue Statements, the Forest Plan IDT compiled a list of the information needed to address each issue. This list also incorporates information needs associated with the analytical and reporting requirements of the process. For reference, these information needs were arranged in a matrix display with an 'X' placed in those matrix columns where there was a strong and obvious correlation between the issues and a particular data element. This matrix is not intended to display all possible correlations and, as such, does not display many of the more indirect correlations which are incorporated in other sections of the Work Plan.

The following issues are listed across the top of the matrix by number.

#1 - Recreation Management
#2 - Wilderness Management
#3 - Management of Specially Designated Areas
#4 - Wildlife Habitat Management
#5 - Fish Habitat Management
#6 - Subsistence Uses and Lifestyle
#7 - Regional and Community Economic Development and Structure
#8 - Timber Harvest Economics
#9 - Coordinating Timber Management Activities with Other Resources
#10 - Long-term/Short-term Timber Sales Programs
#11 - Minerals/Energy Management
#12 - Coordination with Other Land Owners
#13 - Transportation Systems and Road Management

Note: 'X-U' entries in the matrix apply to unroaded areas

ISSUE STATEMENT/DATA ELEMENTS MATRIX

	ISSUE NUMBER												
DATABASE NEEDS BY MAJOR RESOURCE CATEGORIES	#1	#2	#3	#4	#5	#6	#7	#8	#9	#10	#11	#12	#13
CAPABILITY AREA DATA													
ACRES	X	X	X	X	X			X	X	X			
WATERSHED # (VCU)	X	X	X	X	X	X		X	X	X	X		X
MANAGEMENT AREA	X	X	X	X	X	X	X	X	X	X	X	X	X
PHYSIOGRAPHIC UNIT								X		X			X
LUD	X	X	X	X	X	X	X	X	X	X			X
OWNER	X					X	X	X		X		X	X
ELEVATION	X			X	X	X		X	X				
ADMINISTRATIVE AREA		X	X				X			X		X	
RANGER DISTRICT													
CITY/COMMUNITY	X					X	X					X	X
SPECIAL AREAS	X	X	X	X	X		X	X				X	
CULTURAL RESOURCE SITES	X	X	X	X	X	X		X	X	X	X	X	X
RECREATION DATE													
EXISTING ROS CLASS	X	X	X					X	X	X	X		X
TYPE OF ACCESS	X	X	X										
DEVELOPED REC. SITES													
ACRES	X		X	X				X	X	X		X	
TYPE	X		X	X	X	X	X				X	X	X
PAOT CAPACITY	X		X				X					X	
DISPERSED REC. SITES													
ACRES	X	X	X	X				X	X	X		X	
TYPE	X	X	X	X	X	X	X				X	X	X
PAOT CAPACITY	X	X	X				X					X	

TRAILS													
TRAIL NUMBER	X	X	X			X		X	X	X		X	X
TOTAL MILEAGE BY TRAIL	X	X	X	X	X						X	X	
TRAILHEAD FACILITY	X	X	X								X	X	
POTENTIAL REC. SITES													
ACRES	X	X	X	X	X			X	X	X		X	
TYPES	X	X	X	X	X	X	X				X	X	X
FAGT	X	X	X	X	X		X					X	
VISUAL RESOURCE DATA													
INVENTORIED VQOS	X	X	X	X	X			X	X	X	X		X
EXISTING VISUAL COND.	X	X	X					X	X	X	X		X
VARIETY CLASS	X	X	X					X	X	X	X	X	X
VISUAL ABSORP. CAPACITY	X	X	X					X	X	X	X	X	X
DISTANCE ZONE	X	X	X					X	X	X	X	X	X
SENSITIVITY LEVEL	X	X	X					X	X	X	X	X	X
VISUAL CORRIDORS	X	X	X					X	X	X	X	X	X
WILDERNESS/MONUMENTS													
ACRES	X	X		X	X								
EXISTING ENTRY 'PORTALS'	X	X	X				X	X	X	X	X	X	X
POT. ENTRY 'PORTALS'	X	X	X				X	X	X	X	X	X	X
EXISTING SPECIAL USE AREAS	X	X	X	X			X				X		
POT. SPECIAL USE AREAS	X	X	X	X			X				X		
BORDER AREAS	X	X	X				X	X	X	X	X	X	X
WILDLIFE DATA													
MIS (SELECTED)		X	X	X								X	
HABITAT TYPES	X	X	X	X		X		X	X	X	X	X	X
HABITAT SUITABILITY INDEX		X	X	X					X				
COMPLETED ENHANCEMENTS													
(BY TYPE AND LOCATION)	X	X	X	X		X		X	X	X		X	X
POTENTIAL ENHANCEMENTS													
(BY TYPE AND LOCATION)	X	X	X	X		X		X	X	X		X	X
T&E SPECIES		X	X	X					X				
SENSITIVE SPECIES				X	X								
FISHERIES DATA													
MIS (SELECTED)		X	X		X							X	
HABITAT (CHANNEL) TYPE	X	X	X		X	X		X	X	X	X	X	X
HABITAT SUITABILITY INDEX		X	X		X				X				
COMPLETED ENHANCEMENTS													
(BY TYPE AND LOCATION)	X	X	X		X	X		X	X	X		X	X
POTENTIAL ENHANCEMENTS													
(BY TYPE AND LOCATION)	X	X	X		X	X		X	X	X		X	X
T&E SPECIES		X	X		X				X				
TIMBER DATA													
COMPARTMENT NUMBER		X-U*		X	X			X	X	X			
STAND(S) NUMBER		X-U		X	X			X	X	X			
VEGETATIVE TYPE	X		X	X	X		X		X			X	X
SPECIES		X-U	X	X	X		X	X	X	X		X	X
ACRES		X-U	X	X	X		X	X	X	X		X	X
STANDING VOLUME		X-U	X	X	X		X	X	X	X		X	X
SIZE CLASS		X-U	X	X	X		X	X	X	X		X	X

CONTRACT DATA													
PRIMARY AREA		X-U	X				X	X	X	X			X
CONTINGENCY AREA		X-U	X				X	X	X	X			X
OTHER AREAS (A1)		X-U	X				X	X	X	X			X
ACRES OF CARRY-OVER								X	X	X			X
ACRES OF BACK-LOG								X	X	X			X
SOILS DATA													
ERODIBILITY	X	X-U	X					X	X	X	X		X
ASPECT	X	X-U	X	X	X			X	X	X			
SLOPE	X	X-U	X	X	X			X	X	X	X		X
SOIL PRODUCTIVITY	X	X-U	X	X	X			X	X	X			
HYDROLOGIC DATA													
FLOOD HAZARD AREA	X			X	X		X					X	X
WATER USES	X						X	X	X	X	X	X	X
WETLANDS	X			X	X								X
WATER QUALITY	X			X	X		X		X				X
MINERALS/ENERGY DATA													
EXISTING MINERAL DVLPMNT	X	X	X	X	X	X	X				X	X	X
EXISTING ENERGY DVLPMNT	X	X	X	X	X	X	X				X	X	X
KNOWN/POTENTIAL DEPOSITS	X	X	X				X				X	X	
LANDS DATA													
EXISTING SPECIAL USES	X	X	X	X	X	X	X	X	X	X	X	X	X
PROPOSED SPECIAL USES	X	X	X	X	X	X	X		X	X	X	X	X
EXISTING SPEC. INT. AREAS	X		X						X			X	
POT. SPEC. INT. AREAS	X		X						X			X	
EXISTING FS ADMIN. FAC.	X	X	X				X					X	X
POT. FS ADMIN. FAC.	X	X	X				X			X		X	X
UTILITY CORRIDORS	X	X	X				X				X	X	X
1906 NATIVE CLAIMS	X		X			X	X	X		X		X	X
TRANSPORTATION SYSTEMS DATA													
EXISTING ROADS (BY #1)	X	X	X	X	X	X	X	X	X	X	X	X	X
TOTAL MILEAGE	X	X	X	X	X			X	X	X		X	X
OWNER/MAINT RESPONSBLTY	X						X	X	X	X		X	X
ROAD LEVEL	X			X	X	X	X	X	X	X	X	X	X
ASSOCIATED TTF'S	X	X		X	X	X	X	X	X	X		X	X
COMMUNITIES ACCESSED	X			X	X	X	X					X	X
POTENTIAL ROADS	X	X	X	X	X	X	X	X	X	X	X	X	X
POTENTIAL TTF'S	X	X	X	X	X			X	X	X		X	X
SUBSISTENCE DATA													
SUBSISTENCE USE AREAS	X	X	X	X	X	X	X	X	X	X	X	X	X
ASSOCIATED COMMUNITIES	X	X	X	X	X	X	X	X	X	X	X	X	X

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2. Preliminary Data Elements for the Forest Plan Database

The revised Forest Plan will require extensive amounts of resource data and information regarding the outputs, costs, values, and effects associated with a wide range of management practices. The matrix presented above (see Section III.A.1.) displays the wide variety of data and information needed to address the issues during the revision. The form and detail of this data and information is also expected to be highly variable. In addition to the issues, the reporting requirements of RPA and the NFMA planning process also have specific data and information needs. Analytically, there is a need to incorporate this data and information into a database that can be used efficiently in support of the rigorous analytical requirements of the planning process described in Appendix A (Standards for Analysis).

During the early stages of the planning process, attention will be focused on those data elements and information categories that are the most time consuming and costly to compile. Much of this will require that the inter-relationships and interactions between/among the various resources be identified fairly early in the process, particularly for the timber, wildlife, fisheries, soils, minerals/energy, and visual resources. Once these resource inter-relationships and interactions have been clearly described, the stage will be set for evaluating the various resource conflicts defined in the Issue Statements (see Section II.).

It is important to note that, as the data needs are being identified, there is a corresponding need to evaluate the Forest's ability to develop and successfully manage the type of database needed for the benchmark analyses, the alternative formulation and evaluation, and for estimating the effects of implementing each alternatives. The data needs and sources for the Forest Plan database are listed below and followed by a table that summarizes the status of resource data by Administrative Area, percent coverage by LUD, map scale, map type, percent digitized, and person-months to complete coverage.

Capability Areas

The Forest Plan IDT will be considering conflicting/complementary resource uses as they structure the database. In the process, they will identify capability areas which are defined as identifiable, contiguous areas of land that, because of their characteristics, responds to management prescriptions in a relatively similar manner throughout its area. Capability areas are the smallest area of land, ice or water for which data is collected and stored in the database. This information is then used to derive information for analysis (e.g. wildlife habitat units, timber strata, other). This analysis is fully describe in Section III. B. Analysis of the Management Situation. In addition to their physical, biological, and administrative attributes, public issues may also influence how capability areas are defined. Resource information should be stored in the database in a manner that allows it to be stored and/or summarized by capability area. In addition to the resource data described later in this section, the following categories of general information will be included in the Forest Plan database.

General Information

Data Field	Source of Data
a. Acres (capability area)	To be determined once defined.

b. Administrative Area	Maps.
c. Ranger District	Maps.
d. City/Community Boundary	Maps.
e. TLMP VCUs (watersheds)	The VCU where the capability area is located. VCUs are needed to accurately develop and portray the "No Change" alternative.

Note: The Forest Plan IDT will be considering the use of watershed boundaries for analysis purposes, rather than the current VCU boundaries. Where existing or corrected VCU boundaries are closely linked to resource inventories, they will be maintained, though they may serve no Forest Plan purpose.

f. TLMP Management Area #	The Management Area, as defined under the original Forest Plan (TLMP). This will provide a means for comparisons back to TLMP.
g. Physiographic Unit	These are the physiographic units based on Ken Vaughn's 1984 study.
h. Land Use Designation	LUDs as currently defined in TLMP. This will provide a means for comparisons back to TLMP.
i. Ownership	Derived from land status records.
j. Elevation	Derived from digital elevation model.
k. Special areas (i.e., experimental forest, geologic area, etc.)	From various sources.
l. Specific issues	Derived through formal public scoping (e.g. elk habitat on Etolin Island or moose habitat near Yakutat). Note: Issue related line determinants are most appropriate for defining analysis areas (refer to Section III.B.3. FORPLAN and the Development of the AMS) and are seldom used in defining capability areas.

It is important to note that the definition of Management Area will undergo a considerable change from that used in TLMP. TLMP used the term 'Management Area' to describe contiguous areas of land (groups of VCUs) that were allocated to one of four general management emphases, commonly referred to as Land Use Designations (LUDs). In revising the Forest Plan, the term 'Management Area' will be used to define those areas of land being assigned the same management prescription. Under this later definition, Management Areas will no longer be contiguous. (Refer to Section III. B. Analysis of the Management Situation for a complete discussion.)

All three Administrative Areas are currently using VCU boundaries for information collection, storage and evaluation, and probably will not change these boundaries. Land ownership boundaries, critical at this level, are stored in the land status books maintained by the RO Lands Staff. This information is available in a digitized format from the USDI USGS/EROS facility in Anchorage and can be directly entered into a Geographic Information System (GIS) database. Note: this information is continuously updated and is usually no more than 6 months out of date.

Cultural Resources

Data Field	Source of Data
a. Sites	Cultural resource surveys. Tongass Cultural Resources Convention (1987)

Known cultural resource sites are mapped and information stored at each Supervisor's Office. Since this type of information is considered 'sensitive,' there is concern regarding public access were this information to be included in a forest planning database. The Tongass Forest Cultural Resources Overview has been completed and cultural resource information is readily available and can be easily included in the database.

Recreation Resource

Data Field	Source of Data
a. Existing ROS class	ROS maps.
b. Type of access	Transportation system maps/database and general information
c. Developed sites	ROS maps and general information.
1. Acres	RIM
2. Type	RIM
3. PAOT	RIM
d. Dispersed sites	ROS maps and general information.
1. Acres	RIM
2. Type	RIM
3. PAOT	RIM
4. Attractive features	ROS mapping
e. Potential sites	General information and long-range recreation plans.
1. Acres	Long-range recreation plan information.
2. Type	Long-range recreation plan information.
3. PAOT	Long-range recreation plan information.
4. Attractive features	ROS mapping
f. System trails	
1. Trail number	Transportation system plans and maps
2. Total miles per trail	RIM
3. Trailhead facility	RIM
g. Historic trails (Legislatively Designated or locally historic)	
1. Trail number	Transportation system plans and maps
2. Total miles per trail	RIM
3. Trailhead facility	RIM

Recreation Opportunity Spectrum (ROS) information is complete and mapped for all of the Chatham Area, 95% of the Ketchikan Area, and approximately 50% of the Stikine Area. Dispersed and developed recreation site information is tracked in the RIM system. Trails are mapped and information is readily available for both National Forest System trails and National Historic Trails.

Visual Resource

Data Field	Source of Data
a. Inventoried visual quality objectives (VQOs)	Derived through query of the GIS database.
b. Adopted VQOs	VQO maps (to be used when characterizing the "No Change" alternative)
c. Existing visual condition	Information exists only for areas where projects have been proposed.
d. Variety class	VQO maps.
e. Visual absorption capacity	Derive from slope and soils information and area seen and distance zone mapping
f. Distance zones	VQO maps.
g. Sensitivity levels	VQO maps.
h. Visual corridors or viewsheds	May be derived from sensitivity levels and distance zones (VQO maps).

Visual resource data and information is mapped on inch/mile maps and includes visual quality objectives, sensitivity levels, distance zones, and variety class. The Administrative Areas each have several weeks of work to update sensitivity levels associated with new roads. Visual Absorption Capacity (VAC) is about 45% completed on the Chatham Area, completed on the Ketchikan Area, and about half completed for LUDs 3 and 4 on the Stikine Area. It may be possible to structure the database in a manner that would allow VAC to be derived from such other resource data as soil productivity, slope and perhaps aspect. At the present time the Areas are not using soils information in the delineation of VAC. VAC is used to define the time dependent relationships for FORPLAN model constraints (i.e how long an area is 'visually altered' once it is harvested). The existing visual condition is completely inventoried and in an atlas for the Chatham Area, about half completed on the Ketchikan Area, and will be completed soon on the Stikine Area.

Wilderness Resource

Data Field	Source of Data
a. Acres	Land status books and FLURS
b. Existing and potential entry portals	RIM and general information.
c. Existing and potential special use areas	Lands and recreation file information.

d. Adjacent border areas	Planning maps.
e. Historical and customary uses of Wilderness	Lands and recreation file information.
f. Remaining roadless areas that meet wilderness criteria	To be derived from the database

Wilderness information is readily available and the existing wilderness management direction will be incorporated into the revised Forest Plan. The wilderness management direction describes the dispersed recreation use, trails, and special use areas in detail. Once complete, the database will be queried to identify the remaining roadless areas that meet wilderness criteria. These areas will be evaluated as potential wilderness in the alternatives.

Wildlife Resource

Data Field	Source of Data
a. MIS	From preliminary list contained in Technical Publication R10-TP-2
b. Population levels for selected species	ADF&G, Forest Service, USF&WS records
c. Habitat type	Wildlife Habitat Unit inventory (definitions are being developed) -- habitat units are to be derived from attribute data (e.g. timber type, vegetative classifications, plant associations, other)
d. Habitat suitability index	To be developed as determined by the Forest Plan IDT.
e. Completed enhancement project	Activity accomplishment records.
f. Potential enhancement project	Long range wildlife management plans.
g. T&E species	Unknown

Habitat units and suitability indices are not known at this time. Habitat unit definitions are currently being developed by an inter-agency task force. It is anticipated that when these guidelines are available, the habitat units will be derived from capability area attribute data in the GIS database. A habitat suitability index, if determined necessary, may also be derived from resource attributes in the database.

To date, completed wildlife habitat enhancement projects on the Tongass include waterfowl nest developments and the application of fire to improve moose habitat. The known locations of potential enhancement projects for waterfowl and moose are limited and would require several weeks to identify. Since 'old growth' has been tentatively identified as an issue, a definition of old growth will need to be developed and pertinent information collected.

Fisheries Resource

Data Field	Source of Data
a. MIS	From preliminary list contained in Technical Publication R10-TP-2
b. Population levels for selected species	ADF&G, Forest Service, NMFS, and USF&WS records, and Regional Comprehensive Salmon Plans
c. Channel Type	Channel typing inventory
d. Habitat type	Fish Habitat Unit inventory (definitions are being developed) -- habitat units are to be derived from attribute data (e.g. channel type, plant associations, other)
e. Habitat suitability index	To be developed as determined by the Forest Plan IDT.
f. Completed enhancement project	Activity accomplishment records.
g. Potential enhancement project	Long range fisheries management plans.

Channel typing will be completed for all LUDs 3 and 4 by the end of 1987. The Chatham and Ketchikan Areas are digitizing the information in an ARC_NODE format. The Chatham Area has also channel typed some of the LUD 2 areas that are interspersed among LUDs 3 and 4. The channel typing of the remaining non-wilderness areas of the Tongass is also underway and will be completed by the end of 1988. (Refer to 1920 letter of February 25, 1987.)

Habitat types and suitability indices are not known at this time. Habitat unit definitions are currently being developed by an inter-agency task force. Forest Service Research is coordinating a Forest-wide study to explore habitat and fish population relationships by channel type. This information and resource attributes in the database will contribute to the development of habitat suitability indices, if determined necessary.

The Areas have site specific information on all completed enhancement projects. Information about potential enhancement projects is limited to the location of barriers. There are a great number of enhancement opportunities and it may be necessary to limit the number of enhancement opportunities considered during the revision to those having a realistic possibility of taking place in today's economy.

Subsistence

Data Field	Source of Data
a. Types of uses	Forest Service survey results and State of Alaska, Department of Fish and Game, Division of Subsistence information.

b. Associated communities	Forest Service survey results and State of Alaska, Department of Fish and Game, Division of Subsistence information.

This information will be collected in a proposed survey by the Forest Service, working in conjunction with the University of Alaska (Institute of Social and Economic Research), and derived from the information developed by the State of Alaska, Department of Fish and Game, Division of Subsistence.

Timber Resource

Data Field	Source of Data
a. Compartment number	Type map database.
b. Stand number	Type map database.
c. Vegetative type	Timber type maps. Vegetative type - LANDSAT imagery. Plant Associations developed during soils inventory; includes commercial forest, noncommercial forest, and nonforest vegetative types
d. Tree species	Timber type maps.
e. Acres	Digitized.
f. Standing volume	Volume class - type map database.
g. Productivity class	Stand site index - type map database.
h. Stand size class	Stand size class - type map database.
i. Primary Contract areas	Long-term sale contract maps.
j. Contingency Contract areas	Long-term sale contract maps.
k. Other Contract areas	Long-term sale contract maps (A1 areas) and short-term contract maps.
l. Acres of carry-over	Long-term sale contract records.
m. Acres of back-log	Long-term sale contract records.
n. Acres prepared and ready for sale	Timber sales preparation maps.
o. Acres of timber stand improvement	Compartment folders.

The timber information needed for the timberland suitability determination during the revision of the Forest Plan is in various stages of development and to several levels of intensity. The Forest is covered by (1978) timber type maps which use inventory plots to calculate stand characteristics. These maps were updated in 1982-84 to incorporate harvested areas into the inventory. Type maps are on 1:31,680 topographic quads and polygon characteristics are stored in three S2K databases. The inventory data for these type maps can be stratified in any way the IDT desires to relate to the type maps. It consists of plot data for Stikine and Ketchikan and stand data for Chatham. Pertinent data include site index, map type, standing volumes, and actual plot type. These will be necessary to determine 1) lands that are forested, 2) lands that are withdrawn, and 3) lands that are not capable of producing crops of industrial wood.

The accuracy of these type maps is considered mixed among and within the three Areas. The Ketchikan Area and the Sitka RD of the Chatham Area use the type maps as the basis for their more intensive stand examinations. They have found, with the exception of the Juneau Ranger District (JRD), that the timber type maps are adequate with respect to the polygon delineations on the maps. They have also found that the forest type and volume class identified for each timber type polygon are not as accurate as those derived through compartment examination, indicating the need for data updates (e.g. the volume class calls can be as much as two classes off). While typing errors are being corrected during stand exam, type map delineations are, for the most part, accepted as they are.

The Stikine Area and JRD place little faith in their timber type maps, since they have found that the delineations on the timber type maps are not accurate enough for their needs. Each is in the process of completely retyping their respective land base. JRD has found the need to retype stands since the timber type maps are more finely delineated than can be reasonably determined during stand examination (i.e. given the sheer logistical costs of an exhaustive stand examination). In this instance, JRD uses the existing timber type coding as a starting point, then changes the coding where stand examination indicates the need.

The Ketchikan Area type map data was digitized under ARC-NODE conventions which makes it compatible with an ARC_INFO GIS database. However, neither Area has typed LUD 1 and LUD 1 Release areas. The Stikine Area type maps include all LUDs and all are digitized. However, only half of the Stikine Area has been digitized under an ARC-NODE convention. The Chatham Area type maps are not digitized.

> Note: It is important to point out that we may be able to use the LANDSAT imagery developed for Southeast Alaska by the Forest Inventory Group in Anchorage to delineate more accurate timber type maps. This information is currently stored on the USDI USGS/EROS computer in Anchorage and could be incorporated into the GIS database in support of the revised Forest Plan. However, to incorporate this information it will be necessary to use software to convert it from rastor to vector (ARC_NODE) format. The software exists for such conversion but it may take more time that is available. The cover classes for Southeast Alaska are being developed now, though to a broader classification than we will need for revision. However, since the LANDSAT imagery exists, further correlation between inventory plot information and imagery reflectance may identify a means of making this approach useful, particularly for Forest Plan implementation.

Soils Resource

Data Field	Source of Data
a. Mass Failure (existing and potential)	Soils maps and plot databases.
b. Aspect	Digital elevation model.
c. Slope	Digital elevation model and/or soils inventory.
d. Soil Productivity	Soils maps and plot databases.
e. Land Form	Soils inventory (using Region 10 definitions), and Land Type on Chatham Area

Soils inventories are completed to an Order 3 level of detail for all LUDs 3 and 4. This information is mapped on 1:31680 color infra-red orthophoto quads which display only the soil mapping unit for each polygon. Erodibility, productivity, and slope class were used as polygon line determinants. The slope classes used were 0-5%, 6-35%, 36-60%, 61-75%, and 76+%. If the Forest Plan IDT decides to use aspect in the analysis, it will need to be derived from digital terrain model data since the soils map did not consider aspect in delineating soils polygons. Soils information on the Stikine and Ketchikan Areas exists only on the soils map and is not automated. The Chatham Area soils maps are digitized in an ARC_NODE compatible format and the soils information automated for each polygon.

An Order-IV soils inventory is currently underway for the remaining non-wilderness areas of the Tongass and will be completed by the end of 1987. (Refer to the 1920 letters dated February 25, 1987 and February 26, 1987.)

Water Resource and Hydrology

Data Field	Source of Data
a. Water uses	Municipal watersheds and the Region 10 Water Uses, Rights, and Requirements Database
b. Flood hazard area	Unknown
c. Wetlands area	Soils inventory, USF&WS inventory, and US Army, corps of Engineers procedures (see below)
d. Water quality	Unknown
e. Watershed enhancement potentials	Watershed Improvement Needs Inventory

Information about municipal watersheds and water related permits is readily available. Information about wetlands and floodplains may be derived from soils information. However, the U.S. Fish and Wildlife Service is currently developing an inventory of wetlands on the Tongass which may significantly effect the amount of land area involved. Also, the US Army, Corps of Engineers, has procedural guidelines for defining what constitutes a wetland. Water quality data will be difficult to obtain since little background work has been completed. One option is to accept that the revised Forest Plan may be limited to simply establishing the initial monitoring requirements for this resource and that the resulting information will be used in the next round of planning. It is important to note that channel typing will also be of value in evaluating the water resources and hydrology of the Forest.

Minerals/Energy Resources

Data Field	Source of Data
a. Existing mineral development, including locatables	Lands, minerals, and watershed staff records and operating plans.
a Existing energy development	Lands, minerals, and watershed staff records and operating plans.
c. Known/potential deposits and features and resource potentials	BLM information (mining claims located or maintained since 1976) Bureau of Mines files and publications USGS files and publications (broad scale maps) Various professional journals

Though mapped information exists in various forms, the tasks associated with translating this information into a usable form will require considerable effort. The Forest Plan IDT will be working with the Areas to determine how best to translate and incorporate this information into the GIS database. USDI USGS/EROS maintains some of this information in a format compatible with the GIS database. There is also the need to identify lands withdrawn from mineral entry and, of those not withdrawn, there is a need to identify areas where geologic hazards coincide with areas of high potential for mineral/energy development.

Lands

Data Field	Source of Data
a. Existing and proposed special uses	FLURS database and special uses files maps.
b. Existing and proposed special interest areas	General information.
c. Existing and proposed FS administrative areas	Facilities information.
d. 1906 Native claims	Information from the areas.
e. Utility corridors	Corridor permits

Special use locations are documented in the permit files. Translating this information to the planning base maps will take several weeks for each Area. Mariculture is becoming an important special use and it may be necessary to address this issue through programmatic NEPA analysis or some other means prior to the completion of the revised Forest Plan. The BLM maintains the records of 1906 Native claims; unfortunately, this information has been found to be unreliable in some instances.

Transportation System

Data Field	Source of Data
a. Existing roads by road #	
1. Total mileage	Transportation system maps/database.
2. Owner/maintenance responsibility	Transportation system maps/database.
3. Road level	Transportation system database.
4. Associated Timber Transfer Facilities (TTFs)	Transportation system maps/database.
5. Communities accessed	Transportation system maps.
b. Potential roads by road #	
1. Total mileage	Long-range transportation system plans.
2. Owner/maintenance responsibility	Long-range transportation system plans.
3. Road level	Long-range transportation system plans.
4. Associated TTFs	Long-range transportation system plans.
5. Communities accessed	Long-range transportation system plans.
c. Potential TTFs	Long range transportation system plans.

Existing roads are mapped and the information pertaining to each is available in the transportation database. Potential roads and TTFs are identified, mapped, and digitized; they will be made ARC_NODE compatible during FY '87. They are also being analyzed through the multi-entry layout and NET4T analyses now under way. Data from the NET4T analyses associated with area analysis will be available on the HP-9000 for all LUDs 3 and 4 on the Ketchikan Area and all LUDs 3 and 4 on the Stikine Area by FY '89. These analyses and others are described in Section III.B.2. Analysis Needs to Support the AMS.

Summary of Resources

The following table summarizes the status of resource data by Administrative Area and by LUD. It also indicates the map scale and base and notes whether this data is digitized. Completion estimates are based upon work currently underway through June of 1987, the exception being soils inventory and channel typing which includes work underway through the end of 1987. Note that 'n/a' entries imply that this information is not applicable.

Data Availability by Data Source and LUD

		Percent Complete by LUD				Map		
Data Source	Forest	1	2	3-4	1 release	Scale "/mile	Base	Digitized
Cultural Resources								
Cultural resource surveys	All	---	---	~1-2%	---	1"	USGS-prmry	no

Note: the Tongass Forest Cultural Resource Overview is also available as an information resource.

Recreation Resource								
ROS maps	Cht	100%	100%	100%	n/a	1"	USGS-prmry	no
	Ktn	100%	100%	100%	100%	1"	USGS-prmry	no
	Stk	100%	40%	40%	---	1"	USGS-prmry	no
RIM information	All	100%	100%	100%	100%	not mapped		n/a
Visual Resource								
VQO maps	Cht	100%	100%	100%	n/a	1"	USGS-prmry	no
	Ktn	100%	100%	100%	100%	1"	USGS-prmry	no
	Stk	100%	100%	100%	100%	1"	USGS-prmry	no
EVC maps	Cht	100%	100%	100%	n/a	1"	USGS-prmry	no
	Ktn	50%	50%	50%	50%	1"	USGS-prmry	no
	Stk	65%	65%	65%	65%	1"	USGS-prmry	no
VAC maps (to be derived by GIS database)	Cht	---	---	45%	n/a	1"	USGS-prmry	no
	Ktn	100%	100%	100%	100%	1"	USGS-prmry	no
	Stk	---	---	40%	---	1"	USGS-prmry	no
Wilderness Resource								
Land status books and FLURS	All	100%	n/a	n/a	n/a	2"	USGS-prmry	no
Wildlife Resource								
Wildlife Habitat Unit inventory	All	---	---	---	---	not mapped		no
Wildlife Population Levels	All	---	---	---	---	not mapped		no
Habitat quality index	All	---	---	---	---	not mapped		no
Completed enhancement projects	All	100%	100%	100%	100%	2"	various	no
Potential enhancement projects	Cht	---	---	---	n/a	not mapped		no
	Ktn	---	---	---	---	not mapped		no
	Stk	---	---	---	---	not mapped		no
Fisheries Resource								
Channel type inventory	Cht	---	100%	100%	n/a	2"	CIR-O-P	yes
	Ktn	---	100%	100%	100%	1.5"	USGS-prmry	yes
	Stk	---	100%	100%	100%	2"	USGS-prmry	no
Fish Habitat Unit inventory	All	---	---	---	---	not mapped		no
Fish Population Levels	All	---	---	---	---	not mapped		no

Habitat quality index	All	---	---	---	---	not mapped		no
Completed enhancement projects	All	100%	100%	100%	100%	2"	various	no
Potential enhancement projects	Cht	75%?	75%?	75%?	n/a	not mapped		no
	Ktn	75%?	75%?	75%?	75%?	not mapped		no
	Stk	95%	95%	95%	95%	not mapped		no

Subsistence

Forest Service survey	All	---	---	---	---	not mapped		no

Timber Resource

Type map database	Cht	100%	100%	100%	n/a	2"	USGS-base	no
	Ktn	100%	100%	100%	100%	2"	USGS-base	yes
	Stk	100%	100%	100%	100%	2"	USGS-base	50%
Vegetative type LANDSAT imagery	All	100%	100%	100%	100%	any	UTM-coord.	yes
Plant Associations	Cht	---	100%	100%	n/a	2"	CIR-O-P	yes
	Ktn	---	100%	100%	100%	2"	USGS-prmry	no
	Stk	---	100%	100%	100%	2"	CIR-O-P	no
Long-term sale contract maps	All	n/a	n/a	100%	n/a	vary	various	no

Soils Resource

Soil maps	Cht	n/a	100%	100%	n/a	2"	CIR-O-P	no/yes
	Ktn	n/a	100%	100%	100%	2"	USGS-prmry	no
	Stk	n/a	100%	100%	100%	2"	CIR-O-P	no
200' Digital Elevation Model	All	100%	100%	100%	100%	vary	UTM-coord.	yes

Note: This information is digitized and maintained on the USGS/EROS facility in Anchorage. DEM data and the slope calls made during soils inventory will probably be used to define slope classes. The USGS/EROS DEM data can be incorporated into the Forest Plan GIS but should be considered as being very coarse when viewed in terms of implementation.

Water Resource and Hydrology

Flood hazard	All	---	---	---	---	not mapped		no
Wetlands area	All	---	---	---	---	not mapped		no
Water quality	All	---	---	---	---	not mapped		no

Minerals/Energy Resources

Original TLMP maps	All	100%	100%	100%	100%	1/4"	???	no
BLM information	All	100%	100%	100%	100%	tabular data		no
USGS Minerals Potential maps	All	100%	100%	100%	100%	any	UTM-coord.	yes

Note: The original TLMP maps may be of little use and and the BLM maps only include mining claims located or maintained since 1976. The USGS maps are at such a broad scale that they will be of little value for addressing mineral potentials on a site specific basis. Also, there is an abundance of information that will have to be compiled and interpreted by a geologist before it will be of use to the IDT.

Lands

FLURS database & special use files	All	100%	100%	100%	100%	2"	USGS-prmry	no
BLM information on 1906 Native claims	All	100%	100%	100%	100%	???	???	no

Transportation System

Existing roads--transportation maps/database	Cht	100%	100%	100%	n/a	1"	USGS-prmry	yes
	Ktn	100%	100%	100%	100%	1"	USGS-prmry	yes
	Stk	100%	100%	100%	100%	1"	USGS-prmry	yes
Potential roads & TTFs -- long-range plans	Cht	n/a	---	100%	n/a	1"	USGS-prmry	yes
	Ktn	n/a	---	100%	---	1"	USGS-prmry	yes
	Stk	n/a	---	100%	---	1"	USGS-prmry	yes

The five map bases currently in use on the Tongass include:

a. USGS base--quadrangle maps originally on inch/mile scale. In some cases these maps have been enlarged to 2"/mile and split into quarters.

b. USGS primary--similar to USGS base maps, but have been updated for land status changes, etc.

c. CIR-O-P--high altitude color infra-red ortho-photography.

d. Quarter-quad format orthophotos--similar to the CIR-O-P, but the high altitude photography is done along the center of the quad. The result is less distortion and a more accurate map.

e. UTM coordinates--standard 'x' and 'y' coordinates derived from the Universal Terrain Model. This information can be input directly to a GIS and map scale can vary.

The reliability of the analyses conducted during the revision process will largely depend on the site specific reliability of the data. Currently, the timber type (as supplemented by stand exam), soils, and channel type inventories are either completed or nearing completion and are considered fairly reliable in terms of the data. However, these resource inventories are not yet structured in a database that provides the spatial orientation necessary for analyses supporting the revised Forest Plan. As described on page III-10, the accuracy of the timber type delineations is considered mixed.

Due to differing map bases and resource attribute mapping methods, difficulties are anticipated in constructing the GIS database and in using the GIS database to relate the various resource data layers to one another. For example, the timber type maps were developed through an interpretation of aerial photos, During the transfer of interpreted information to USGS base maps, it is recognized there was distortion in both the aerial photos used to derive these maps and in the typing of the aerial photos themselves. This has resulted in some inaccuracies (i.e. mapping slivers) when timber type maps are overlain with another resource inventory map (e.g. soils which are more defined). This is particularly so when maps derived from differing series of aerial photos are overlain. Such photographic distortion and the human errors made in transferring information from photos to maps reduce the accuracy of the information being derived through a map overlay process. This can generally be avoided by using the same aerial photos to interpret many categories of information and by transferring mapped information simultaneously. Such an approach will better display the true interrelationship between two or more resources. Unfortunately, Tongass timber typing was not derived in this manner.

In order to create a useful database, timber types, channel typing, and soils typing must be registered to a common base. Fortunately, timber types, channel typing, and soils typing were all mapped on USGS bases and all are compatible.

3. Inventory Data and Information Needs Related to RPA

As noted above, the resource data and information developed for the revised Forest Plan must address the issues identified through formal public scoping and the reporting requirements of other planning processes. The Forest and Rangeland Renewable Resources Planning Act (RPA) of 1974, as amended by NFMA, directs the Secretary of Agriculture to periodically assess the status of the Nation's forest and range resources and to recommend a Forest Service program for their management and use. This nationwide program is the basis for setting resource management objectives for each Region and National Forest. Under NFMA regulations, at least one forest plan alternative must incorporate current RPA Program objectives and the associated levels of goods and services. At a minimum, inventory data and resource information collected in support of the revised Forest Plan must relate to the various RPA reporting categories. This ensures comparability with the RPA alternative. Listed below are the information reporting categories required under the 1985 RPA Program.

Major Resource Outputs [1] by Alternative (for base year, 1990, 2030)

Resource Category	Indicator	Unit of Measure
Recreation	Recreation Use	MM RVDs
	Trail Const/Reconst	Miles
	Wilderness Use	MM RVDs
	Wilderness	MM acres
Wildlife/Fish	Wildlife and Fish Use	MM WFUDs
	Anadromous Fish Commercial Harvest	MM lbs.
Timber	Timber Offered	B board feet and B cubic feet
	Fuelwood	MM cubic feet
	Reforestation	M acres
	Timber Stand Improvement	M acres
Water	Increased Water Yield	M acre-feet
Minerals	Energy Minerals Produced	Quadrillions of BTUs
	Nonenergy Minerals Produced	MM $
Human Resources	Human Resources Program	M person years
Facilities	Timber Purchaser Road Construction/Reconstruction	Miles
	Arterial/Collector Road Construction/Reconstruction	Miles
Protection	Fire Management Effectiveness Index	$/M protected acres
	Cooperative Fire Protection Effectiveness	$ NFMAS

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[1] Legend for Units of Measure

M = thousands
MM = millions
B = billions

Economic Effects by Alternative (for base year, 1990, 2030)

Category	Unit of Measure [2]
Present Net Value - Total (based on valuing all major resource outputs having either a market or assigned price)	$B
Present Net Value - Market (based on valuing only market resources, i.e., timber, minerals, commercial fish)	$B
Present Net Value - Receipts (based on actual direct receipts or returns to U.S. Treasury for timber, minerals, and recreation resource uses)	$B
Total Costs	
Capital Investment	$MM
Operation/Maintenance	$MM
Total	$MM
Total Benefits	$MM
Returns to Treasury (by major resource category)	$MM
Returns to States	$MM
Consumer Benefits	$MM
Income Effect	$B
Employment	MM jobs

Areas Involved in Soil Disturbing Activities by Alternative (year 2000)

Category	Unit of Measure
Wildlife (Improvement)	M acres
Timber	M acres
Reforestation	M acres
Watershed (Improvement)	M acres
Minerals	M acres
Roads	M acres
Fuel Treatment	M acres
Recreation Development (trails, cabins, campgrounds)	M acres

Existing Visual Condition Classes by Alternative (year 2000)

Category	Unit of Measure
Type I (Preservation)	MM acres
Type II (Retention)	MM acres
Type III (Partial Retention)	MM acres
Type IV (Modification)	MM acres
Type V (Maximum Modification)	MM acres

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[2] All dollars are in a common base year.

4. Information Needs Related to Budget Development

Forest planning has often ignored budgetary constraints and the effects of such constraints on our ability to achieve desired levels of outputs called for in our planning documents. The assumption has been that funding would always increase or decrease in order to achieve the desired levels of outputs. Thus, little attention was placed on the collection of budget and cost information. Today's budgetary situation, in the face of static or increasing demand for outputs, focuses more attention on the budget and its role in developing management prescriptions and estimating the effects of Forest Plan alternatives. Funding levels can have as much influence on outputs levels, as the resources found on a given area. The management prescriptions and monitoring activities contained in the Forest Plan must be directly linked to the budget process. This linkage will allow budgetary information to be directly incorporated into the analysis (i.e. into the FORPLAN model) and a more accurate budget developed for each Forest Plan alternative. To provide this fiscal 'reality check,' resource data and information need to be developed and structured with this budgetary linkage in mind.

In the last few years, budget reporting direction has undergone a variety of changes. Many of the Forest Plans completed in the most recent planning cycle were linked to Management Information Handbook (MIH) work activity and output/effect codes. This system is being replaced by a National Information Requirements Project (NIRP) and the associated National Activity Structure (NAS) codes. The program is designed to streamline information processing, improve internal communications, and reduce inefficiencies by establishing a single national structure for tracking traditional work activities and the kinds of funds associated with those activities. A key component of this program is a uniform, hierarchical coding convention. Uniformity in coding permits a common language for RPA, LMP, PD&B, and PAMARS. This, in turn, will provide for a system of linkages not previously possible.

The following is a recommended hierarchy for collecting and tracking budget and individual activity cost information to be used in developing management prescriptions and Forest Plan alternatives. The hierarchy is based on the Region 10 FY '88 Program Budget. In some cases, a finer level of detail was felt to be more appropriate than that contained in the FY '88 Program Budget. In those instances, the NAS coding scheme contained in the NIRP report was used and aggregations made. A '?' indicates where there is some question regarding how appropriate the category may be for the Tongass.

Budget Activity Categories

Element	Activity & Definitions	Unit of Measure	FY'90 NAS Code	MIH Code
A	**Recreation**			
	Cultural Resource Activities	$M	AC	A01,A02,A03, A04
	Recreation Resource Prep.	$M	AN11	A01,A02
	Recreation Resource Admin.	$M/PAOTs	AN12	A07,A08 L46,L47,L48
	Recreation Resource Admin. Site & Facilities Admin. (Granger-Thye)	$M/PAOTs	AN122	

Special Use Administration (Outfitters, Guides, other)	$M/PAOTs	AN122-3	
Recreation Resource Imp. Const.	$M/PAOTs	AN22	L46,L47,L48 A05,A06
Trail Operations	$M	AT1	A02,A01
Trail Construction	$M/miles	AT22	A10,A11
Trail Maintenance	$M/miles	AT23	A12
Wilderness Resource Activities	$M	AW	B01,B02,B03
Visual Resource Operations	$M	AV1	A13,A14
C **Wildlife & Fish**			
Wildlife Operations	$M	CW1	C01
Fish Operations	$M	CF1	C01
T&E Operations	$M	CT1	C01
Wildlife Habitat Improvement:			
Structural Improvement	$M/structure	CW221	C03
Non-structural Improvement	$M/acres	CW222	C02
Fish Habitat Improvement:			
Resident Fish Structural	$M/structure	CF221-1	C03
Anadromous Fish Structural	$M/structure	CF221-2	C03
Resident Fish Non-structural	$M/acres	CF222-1	C02
Anadromous Fish Non-structural	$M/acres	CF222-2	C02
Fish Habitat Imp. Maint.	$M	CF23	C04
Wildlife Habitat Imp. Maint.	$M	CW23	C04
E **Timber**			
Timber Resource Inventory	$M/acres	ET111	E03
Extensive Timber Inventory	$M/acres	ET111-1	
Silvicultural Exam & Prescr.	$M/acres	ET111-2	
Timber Resource Planning	$M/plans	ET112	E00
Timber Resource Coordination			
Wildlife & Fish	$M	ET113	C01
Recreation	$M	ET113	A01,A02,B01
Soils & Watershed	$M	ET113	F02
Minerals & Geology	$M	ET113	G01,G02
Aviation & Fire	$M	ET113	P01
Timber Sale Preparation	$M/mcf	ET114	E00,E06 E40,E41,E42
Timber Sale Preparation	$M/permits	ET114	E43
Timber Harvest Administration	$M/mcf	ET12	E07,E40,E41 E42,E43
Timber Resource Monitoring	$M/acres	ET121	E07
Commercial Sale Admin.	$M/mcf	ET122	E07
Commercial Use Firewood	$M/cords	ET123	E40
Personal Use Firewood	$M/cords	ET124	E41
Free Use Administration	$M/permits	ET125	E42
Non-convertible Products Admin	$M/permits	ET126	E43
Timber Resource Improvements		ET2	
Reforestation	$M/acres	ET24	E04
Site Preparation	$M/acres	ET241	E04
Seeding	$M/acres	ET242	E04
Planting	$M/acres	ET243	E04
? Animal Control	$M/acres	ET244	E04
Timber Stand Improvement	$M/acres	ET25	E05
Release & Weeding	$M/acres	ET251	E05
Precommercial Thinning	$M/acres	ET252	E05

	? Pruning	$M/acres	ET253	E05
	? Understory Control	$M/acres	ET254	E05
	? Fertilization	$M/acres	ET255	E05
	? Animal Control	$M/acres	ET256	E05
	Nursery Activities	$M/nursery $M/facility	ET26	E08,E10
	Genetic Tree Activities	$M/acres $M/nursery	ET27	E08,E09
F	**Watershed & Air**			
	Watershed Resources Activities	$M	FW	F01,F02,F08
	Water Inventory	$M/acres	FW111-2	F01,F05
	Soil Inventory	$M/acres	FW111-1	F01,F05
	Watershed Resources Monitoring	$M/plans	FW121	F04,F07,F09, L28
	Watershed Resources Imps.		FW2	F03
	Construction	$M/acres	FW22	F03
	Maintenance	$M/projects	FW23	F08
	Air Resources Activities	$M	FA	F02,F04,F09, L28
G	**Minerals & Geology (M&G)**			
	M&G Resource Preparation	$M	GM11	G01,G02,G03 G04,G05,G07 G08,C01
	M&G Resource Inventory	$M/acres	GM111	G01
	M&G Resource Planning	$M/plans	GM112	
	M&G Resource Coordination (Rn, WF, TM, WA)	$M	GM113	
	M&G Resource Preparation	$M/plans cases	GM114	G02,G03,G04 G05,G07,G08
	M&G Resource Administration	$M/plans	GM12	G06
J	**Lands**			
	Land Status Inventory	$M	JL111	J05
	Special Use Admin. (non-rec.)	$M/cases	JL122	J01,J02,J03, L28
	Land Ownership Administration	$M	JL123	J04,J08,J09, J10,J35
	Landline Location	$M/miles	JL24	J06,J07
	Rights-of-Way	$M/miles	JL25	J18,J19
	Land Ownership Adjustments	$M/acres	JL26	J11,J12,J15, J16,J17
	Land Exchange	$M/acres	JL263	J13,J14
L	**Facilities**			
	Facilities Activities		LF	
	Admin. Site/Bldg. Construction	$M/structure	LF22	
	TTSF		LF22-TTTT	L24
	Appropriated		LF22-CNFA	L24,L28,L46, L47,L48
	Admin. Site/Bldg. Maintenance	$M	LF232	L25,L46,L47, L48
	Dam Maintenance	$M/dams	LF234	L25,L28

	Transportation Activities		LT	
	Transportation Imp. Planning	$M	LT212	
	TTSF		LF212-TTTT	L01,L02
	Appropriated		LF212-NF--	L01,L02
	Road & Bridge Preconstruction	$M	LT214	
	TTSF		LF214-TTTT	L01,L02
	Appropriated		LF214-NF--	L01,L02
	Road & Bridge Constr. Admin.	$M/miles	LT221	
	TTSF		LF221-TTTT	L01,L03,L04, L05,L15,L18
	Appropriated		LF221-NF--	L01,L03,L04, L05,L18
	Road & Bridge Constr. Contract	$M/miles	LT222-1	
	TTSF		LF222-TTTT	L01,L03,L04, L05,L15,L18
	Appropriated		LF222-NF--	L01,L03,L04, L05,L15,L18
	Purchaser Credit		LT222-PUCR	L14,L18,L29
	Road Maintenance	$M/miles	LT23	
	TTSF		LF23-TTTT	L01,L19
	Appropriated		LF23-NF--	L01,L19
	Geometronics Activities	$M	LG	J20,L25,L28, L46,L47,L48
M	**Land Management Planning**			
	Land Management Planning Activities	$M	ML	J21,J22
	Aviation & Fire			J21,J22
	Recreation			J21,J22
	Soils & Watershed			J21,J22
	Timber			J21,J22
	Wildlife/Fisheries			J21,J22
	Minerals & Geology			J21,J22
	Lands			J21,J22
P	**Protection**			
	Fire Management Operations	$M	PF1	
	Fire Management Preparation	$M	PF11	P01,P02,P03, P04,P05,P06, P07,P19,P20, P21,P22,L28
	Fire Suppression	$M/acres	PF12	
	Fuels Improvements	$M/acres	PF2	P01,P10,P11, P12,P13,P14
	Law Enforcement Activities	$M	PL	P24,P25
Q	**Insect & Disease** (State & Private Forestry)			
	Forest Pest Management (FPM)	$M	QC	P34
	FPM Operations	$M	QC1	P34
	FPM Administration	$M	QC12	P34
	Forest Pest Inventory & Surveys	$M/acres	QC122	P34
	FPM Surveys - Federal Lands	$M/acres	QC122-1	P34
	FPM Surveys - Cooperative Lands	$M	QC122-2	P34

	Forest Pest Planning	$M	QC123	P34
	Forest Pest Suppression Assistance	$M/acres	QC124	P35
	FPM Suppression - Federal Lands	$M/acres	QC124-1	P35
	FPM Suppression - Coop. Lands	$M	QC124-2	P35
	Forest Insect & Disease Research	$M	QR	P37
T	**Administration**			
	Line Management	$M	TG3	T01
	Program Support	$M	TG4	T01
	Special Activities	$M	TS	
	Working Capital Fund	$M	TW	
H	**Human Resources**			
	Senior Citizen Activities	$/Person Yrs	HS	H04
	Job Corps Activities	$/Person Yrs	HJ	H01
	YCC Activities	$/Person Yrs	HY	H02
	Volunteer Activities	$/Person Yrs	HV	
	Other Human Resource Activities	$/Person Yrs	HO	

5. Geographic Information System (GIS) - Overview

The inventory data and information collection discussion has, thus far focused on needs. Equally important, is the determination of how this inventory data and information will be stored and manipulated. Specifically, the Forest will need to develop an automated database that is easy and efficient to use and update. At a minimum, this database will support: a) the analyses associated with the revised Forest Plan; b) the implementation of the revised Forest Plan; and c) the monitoring and evaluation of Forest Plan implementation and the associated effects. The development of the GIS database will be a major Forest-wide effort. It is important to note that throughout the Work Plan, reference is made to Forest Plan IDT tasks. These tasks will be identified and described by the Forest Plan IDT and performed, in most instances, by Area and District personnel.

The Regional Forester has recently approved the acquisition of a Geographic Information System (GIS) for the Tongass and the information structure of the database is nearing approval. One of the principal attributes of the GIS is its ability to integrate tabular (coded) and mapped data (polygons, lines and points that are entered as referenced 'x' and 'y' coordinates). The GIS can be used to 'overlay' different layers of resource data to generate composite maps and summary data. For example, soils and timber data, though entered independently into the database, may be combined by the GIS database to define capability areas. This provides considerable analytical flexibility and an efficient means of responding to changing concerns, conditions, information and/or procedural direction.

A Primary Base Series (PBS) of maps is now being developed for the entire Tongass and is described in a June 10, 1987 paper written by J. Ray Jensen, Geometronics Group Leader, entitled R10/GSC Digitizing Proposal for Forest Plan/GIS Analysis -- Ketchikan Test -- Draft Report and Action Plan. In addition to the PBS maps, a digitized base was completed in the spring of 1987 for the Tongass by the Forest Inventory Group of the FSL in Anchorage. This base, which may be of use during the revision, includes LANDSAT derived imagery that can be translated to an ARC_NODE digitized base, if time permits. It also includes a land cover type classification derived from a combination of LANDSAT imagery, high elevation infra-red photography, low elevation aerial photo interpretation and ground plots. The FSL database includes elevation, and broad slope and aspect information for the entire Tongass which will be useful when defining timber suitability and wildlife habitat types. The land cover type classification information may also prove useful in defining habitat or timber types. Such a database is compatible with the Region's long-range GIS development plans and could serve as an initial basis upon which the revision database could be built.

GIS Database and FORPLAN Analysis

Many of the analytical requirements of forest planning are described in Section III.B. of this Work Plan (Analysis of the Management Situation) and in Appendix A (Standards for Analysis). Key among these requirements are those pertaining to resource and economic trade-off analyses. To conduct these trade-off analyses, we must to able to derive information quickly and efficiently from a database that can describe discrete overlapping and/or competing resource conditions. For example, we must be able to identify and formulate the FORPLAN model in a manner that allows the model to predict where there may be conflicts between forest resource uses (e.g. high volume, high value timber stands coincide with important wildlife habitat and/or areas of high visual significance). Developing a database that can describe such overlapping conditions, will allow for an efficient and accurate use of FORPLAN when analyzing resource trade-offs.

The first round of forest planning nationwide provided a significant lesson about databases and their use. Most forests used System 2000 (S2K), a hierarchical database structure. Resource maps were manually placed over capability area maps and the associated resource information was coded into S2K as an attribute of the capability area. The resulting database was somewhat limited in its ability to describe overlapping resource conditions since not all resource attributes would occur throughout the entire capability area. For example, a 200 acre capability area may have attributes that indicate the presence of an eagle nest site and a stream course. Without elaborate coding conventions, a database query would only indicate that an eagle nest was present and that a stream course was present. There would be no indication of the degree to which the eagle nest site and stream course may coincide within the capability area. Such information is an essential component of FORPLAN model constraints construction and is needed to ensure that the constraints being used are not in excess of what is really needed.

Fortunately, the GIS database will reduce or eliminate the problems associated with subset attribute data, since it can store and associate subset attribute data (e.g. a cultural site), lines (e.g. a road or channel type), or points (e.g. an eagle nest tree). This structure provides an ability to develop information that spatially accounts for subset resource attributes (e.g. a 200 acre capability area that includes an eagle nest that is located entirely within the stream course). It also provides an ability to develop spatial information by associating adjoining capability areas and other attribute data. For example, wildlife habitat can be defined as including those capability areas whose attributes fall within a particular habitat definition (e.g. vegetative type and condition, elevation, slope, aspect, distance from cliffs, distance on each side of a stream, distance from salt water, other). Given this ability to relate the capability areas to one another, the GIS will enhance greatly analytical capabilities. This will be particularly so during the construction of the FORPLAN model since the errors associated with characterizing and quantifying analysis area acres will be reduced.

There are several spatial forms of analysis that will be performed in support of the revised Forest Plan, including those related to the determination of fish and wildlife habitat suitability, evaluation of differing visual quality objectives, timberland suitability determinations, maintenance of water quality, and others. These analyses illustrate the need for a database that can represent resource information in an orderly and spatial manner.

GIS Database and Forest Plan Implementation

The Forest Plan IDT will need to provide a means of translating FORPLAN model solutions and Forest Plan direction to the ground during Forest Plan implementation. Development work is currently underway elsewhere in the country to directly corporate FORPLAN model results back into the GIS database in order to provide a means of deriving mapped solutions. This capability is particularly well suited for Forest Plan implementation. Care must be taken to ensure that the GIS is readily available to those implementing the Forest Plan and that the GIS itself is easy to use. In particular, District personnel must have an ability to query the database, determine the validity of the information derived, and update the database as more accurate information is obtained through site-specific inventories and/or analysis. The database must also be able to track management activities through the budgeting process by linking expenditures to site-specific activities. This is particularly important when viewed in light of the need for improved fiscal accountability.

The GIS will generate maps more rapidly, accurately, and efficiently than traditional manual mapping. This will be a useful when developing maps for the revised Forest Plan, individual projects, or internal or external meetings. All resource maps are stored in the system and can be accurately reproduced. Since map loss does occur, this is an important consideration. It is also important to note that GIS reproduced maps will be free of the 'compounding errors' generally associated with manual redraftings since they will be true duplicates. This will assist in maintaining map accuracy throughout Forest Plan implementation. (Forest Plan Implementation is more thoroughly discussed in Section III.F.1. of this Work Plan.)

GIS Database and Forest Plan Monitoring and Evaluation

As with any planning process, it will be important to acknowledge the limitations of the analysis supporting the revised Forest Plan. These limitations are often associated with the data, assumptions, and/or professional estimates regarding resource outputs and effects. Monitoring and evaluation activities are an essential part of forest planning process intended to: a) validate or amend the information, database and/or assumptions used to support the revised Forest Plan; b) accurately describe the actual outputs and effects of Forest Plan implementation; and c) assess whether there is a need to amend or revise the Forest Plan. This assessment requires an ability to compare current more site-specific information and conditions with the information and conditions used in support of the revised during the Forest Plan.

Monitoring and evaluation will also be well served by the GIS since it is relatively easy to use and update and will produce maps to visually depict resource conditions and/or activities. The GIS database will also provide an ability to capture snapshots of resource situations at any point in time and to store these snapshots for comparison and analysis during monitoring and evaluation activities (e.g. timber harvest activities, insect and disease infestations). The information developed through Forest Plan implementation, monitoring and evaluation activities can then be compared with that used to revise the Forest Plan and a determination made regarding the need for further change.

As management activities take place, changes to the land base (e.g. harvest units) can be documented and incorporated into the GIS database through a 'paste over' technique that serves to update the polygons themselves where activities such as timber harvest have changed the shape and size of the polygon. During paste over, all other cartographic and attribute information is updated automatically. In this manner, the database will always remain current and available for subsequent analyses. (Forest Plan Monitoring and Evaluation is more thoroughly discussed in Section III.F.2-4. of this Work Plan.)

B. Analysis of the Management Situation -- 36 CFR 219.12(e)

The Analysis of the Management Situation (AMS) is the next step in the planning process. In short, the AMS is an analysis of the Forest's ability to supply goods and services in response to society's demands. It helps identify where changes may be needed in management direction, and provides the basis for formulating alternatives to solve management problems.

1. Overview

There are three major components of the AMS: a description of the current management situation on the Forest; the development of resource demand projections; and an exploration of the Forest's physical, biological and technical capabilities (benchmarks). Together, these components are used to describe the:

a) current level of goods and services (including the adequacy of the current transportation system) being provided by the Forest and the most likely level of goods and services to be provided in the future if current management direction continues.

b) projected resource demands using the best available techniques and both price and non-price information (to the extent practical, demand will be assessed as a price-quantity relationship).

c) potential to resolve public issues and management concerns.

d) need to establish or change management direction.

e) range within which it is possible to formulate alternatives.

Current Management Situation - In defining the current management situation on the Forest, it will be necessary to summarize management direction under the existing Forest Plan (TLMP as amended), including current goals and objectives, standards and guidelines, land classifications, and actual outputs and activities. A description must be made of the expected future condition of the Forest if current management direction were to continue, including projected future outputs and activities. By defining the current management situation, it will also be possible to identify the degree to which changes are needed in the existing management direction, particularly in light of the issues identified through public scoping.

Under the Amended TLMP, each Administrative Area is proceeding with Area Analysis, having completed such analysis on some areas of the Forest. This analysis has provided detailed information for these areas and will prove valuable to the revision effort. The Forest Plan IDT anticipates they will review and incorporate the results of Area Analyses when describing the current management situation. This is also true for the results of 5-Year Operating Plans and Life-of-Sale planning. This information may also assist the IDT in developing other alternatives, particularly in terms of alternative road systems and the acres being accessed by such roads. The results of Area Analysis, 5-Year Operating Plans, and Life-of-Sale planning will also be evaluated in terms of the current NFMA regulations to determine if there is a need for further change.

The intent of the revision is to determine the need for change in the existing Forest Plan (TLMP). The Forest Plan IDT is working toward the goal of revising the Forest Plan in a manner that provides more site specific direction through the more site specific management prescriptions. Another goal is that of revision the Forest Plan in a manner that results in a better understanding between the Forest and the interested public about what the Forest intends doing and where.

Resource Demand Projections - For all the major forest resource uses, demand projections should be made based on the best available information, using both price and non-price information. While the focus of these projections is primarily for the life of the plan (10 to 15 years), estimates must span the 50 year RPA planning horizon in order to assess long-term management implications. On the Tongass, major forest resource uses involve recreation, wilderness, wildlife, fish, timber, water, and minerals resources. In documenting resource demand projections, include a discussion of the following (FSH 1909.12--3.4c):

a) The source of information or methodology used to develop demand projections.

b) The assumptions made regarding trends in population size, growth and composition; trends in employment; identification of areas of population growth and decline; a description of the structure of the region's economy; and trends in resource utilization, production technology and consumption.

c) An evaluation of the sensitivity of the projected demands to changing conditions.

d) An identification of the market area.

e) A discussion of the price-quantity relationships, past, current, and future, when the data are available.

f) The relationship of total demand to projected supply from other, adjacent lands.

g) The projected demand.

Benchmark Analysis - Resource demand projections and the information derived from evaluating the current management situation are used during the benchmark analysis. The benchmarks serve to define management situations that approximate the maximum economic and biological resource production opportunities, assist in evaluating the compatibilities and conflicts between individual resource objectives, and define the range within which integrated alternatives can be developed. Specifically, the benchmarks define the outermost limits or boundaries within which forest plan alternatives can be formulated, evaluate the maximum economic and biological resource production possible from the Forest, and the relationship between market and non-market resource objectives. Refer to FSH 1909.12--3.42a-1 for a complete description of required benchmarks. The following principles govern benchmark development:

a) Benchmarks display the Forest's physical, biological, economic, and technical capabilities. They are not to be limited by Forest Service policy or budget, discretionary constraints, spatial feasibility, or program and staffing requirements. It must be physically and technically feasible to implement benchmark management situations, but it may not be prudent to do so.

b) Benchmarks provide an analytical base for developing alternatives and provide a reference point for comparison among alternatives.

c) The purpose of benchmarks is not only to approximate the resource potentials but also to establish the degree of change from current management that can occur.

d) Each benchmark:

1) Must comply with the Minimum Management Requirements described in the NFMA regulations (36 CFR 219.27) (refer to III.B.4. below), including prevention of significant or permanent impairment of the productivity of the land.

2) Must comply with a base sale schedule (nondeclining yield) of timber harvest and permit scheduling of the harvest of even-aged stands generally at or beyond culmination of mean annual increment of growth. Timber-significant forests (FSM 1922.15(6)) shall evaluate relaxation of both the base sale schedule and harvest generally at or beyond culmination of mean annual increment. The Tongass is not listed as a timber-significant forest.

3) Must not be constrained by forest budgets.

4) Must use maximum present net value (market values) as the objective function in FORPLAN (except as noted in FSH 1909.12 for the resource specific benchamrks). FORPLAN is the linear programming model used to support NFMA forest planning.

Note: The term 'constraint' is used throughout the Work Plan in the context of FORPLAN modelling controls and is not used in a negative connotation. These controls are used to ensure the model achieves the objectives of a particular alternative.

2. Analysis Needs to Support the AMS

To complete the AMS, a variety of preliminary analyses must first be completed to identify existing supply and demand conditions, to make projections about future supply and demand, and to develop cost, benefit, resource relationships and output coefficients used in the forest planning model (FORPLAN). As detailed below in Section III.B.3, FORPLAN is the primary analytical tool used to model benchmarks and forest plan alternatives.

Information developed in these preliminary analyses may be based on data contained in the forest resource inventory database, or may be derived through special studies. In some instances the information is used to describe resource conditions on the Forest and to predict responses to management activities. In other cases, it is used to project socio-economic trends within the Region, or for identifying various model controls (constraints) needed to establish limits or minimums on the outputs or effects being modeled. For example, these controls might include requirements for minimum habitat, linkage to the long-term sustained yield calculation, and/or harvest unit dispersion. Other information derived in the preliminary analyses, in turn, may be used to structure the database, the FORPLAN model, or both.

The following table summarizes the various preliminary analysis needs identified to date. Where appropriate, NAS (National Activity Structure) codes have been identified. While some of these analyses appear rather elaborate at first glance, a review of Appendix A (Standards for Analysis) may provide a better understanding of how information developed in these analyses will be used in conducting the AMS, building the FORPLAN model, and in evaluating the effects of each forest plan alternative.

Pre-analyses needed to support the development of the Analysis of the Management Situation (AMS)	Description of Pre-analysis	Unit of measure
Recreation		
Cultural Resource Nominations	Identify and nominate candidate areas using established FSH criteria. This will include use of the cultural resource inventory and will involve cultural resources interpretation	Acres and location ---- Nominations
Projected demand by RPA reporting category:	Note: At this point, no decision has been made about the types of recreation for which demand will be projected.	
Quantity demanded	Special studies & trend analysis	MRVDs/ category
Associated value	Assigned values based upon consumer surplus estimates from special studies or RPA Program direction.	$/RVD
Existing and projected supply for each RPA reporting category	RIM and ROS data analysis.	PAOTs/type
Known development opportunities for increasing capacities	Long-range recreation plans.	PAOTs by site & type
Forest Service costs for: Developed recreation site:		
const./reconst. (AN22) maintenance/rehab. (AN23) use administration (AN122)	Determined through the Forest Service MARS and PAMARS reports and recreation staff information	$/PAOT by type of site and standard

Dispersed recreation site: const./reconst. (AN22) maintenance/rehab. (AN23) use administration (AN122)	Same as above.	$/PAOT by type of site and standard
Trail system (AT1): const./reconst. (AT22) maintenance (AT23) administration (AT12)	Recreation records or engineering construction and reconstruction estimates.	$/Mile by standard of trail
Trailhead facilities (AT1): const./reconst. (AT22) maintenance/rehab. (AT23) administration (AT12)	Same as above.	$/PAOT
Wilderness Resource: planning (AW112) administration (AW12)	Same as above.	$/PAOT by type of site and standard
Returns to the Treasury from recreation user fees	Fiscal and accounting records.	$M
Visual Resources Management: Effectively Altered Acres Index (EFFALT)	From the data compiled in reply to Mike Barton's REPLY DUE February 1, 1987 requesting that the landscape architects conduct field evaluations to assess how long it takes differing types of land to regenerate to the point where an even-age harvest unit is no longer considered an opening from a visual resource standpoint. The request also calls for a determination of the degree to which a viewscape can be in an altered visual condition and still maintain a particular VQO.	EFFALT acres index ----- FORPLAN coefficients for cumulative effects and the duration of these effects
Candidates areas for formal classification or designated status (for example):		
Wilderness Wild and Scenic Rivers Research Natural Areas National Monuments Special Interest Areas Other	Identify and map candidate areas using established FSH criteria for each type of designation or classification.	Acres and location

Wildlife		
Projected demand by RPA reporting category		
Quantity demanded	Special studies & trend analysis	mWUDs
Associated value	Assigned values based upon consumer surplus estimates from special studies or RPA Program direction.	$/WUD
Existing and projected supply for each RPA category	Estimated by wildlife staff based on quantity and suitability of habitat or using existing data	WUDs or # animals
Enhancement and rehabilitation opportunities	Opportunities for habitat enhancement through second-growth timber management are tracked in the TMIS databases for harvested stands. Note: there are often delays between harvest and any evaluation of enhancement or rehabilitation opportunities. In addition, there are such enhancement opportunities as nest box construction, the application of prescribed fire, and other activities.	Acres and location
Forest Service costs for:		
Wildlife habitat improvement projects (CW2):		
construction rehabilitation maintenance administration	These costs are tracked by the wildlife staff in the RO or the Areas, as well the engineering staff.	$/Site and Type of site
Associated requirements for:		
Identify Terrestrial and Aquatic Habitat Types on the Forest, including Old Growth	These will be identified using soils type/plant associations and the habitat definitions developed through the Wildlife Habitat Management Unit Program.	Habitat type maps
Identify Management Indicator Species (MIS)	These will be chosen from the possible MIS described in Technical Publication R10-TP-2.	Species name
Viable Population levels for each MIS	These will be expressed as numbers of animals. However, in constructing the FORPLAN model these numbers will be translated into acres of suitable habitat.	# of animals

Habitat needed to support MIS viable populations	As determined via coordination with the Alaska State Department of Fish and Game.	Acres by habitat type ---- Location
Habitat diversity evaluation for plant and animal communities	Evaluated in terms of prior and present conditions in cooperation with the Alaska Department of Fish and Game.	Diversity indices ---- Location
Habitat suitability index and habitat dynamics over time where activities alter the existing habitat.	As determined by coordination with the Alaska State Department of Fish and Game.	Habitat suitability index ---- FORPLAN coefficients
Browse/forage/other production due to habitat enhancements (e.g. moose burns, other)	Same as above.	FORPLAN coefficients
Habitat type - management requirements	Define the area adjacent to each habitat type that needs to be managed as an integral unit if habitat management is the primary emphasis.	Acres associated with each habitat type
Fisheries		
Identify Aquatic Habitat Types on the Forest	These will be identified using the channel type inventory and the habitat definitions developed through the Fisheries Habitat Management Unit Program.	Habitat type maps
Projected demand by RPA reporting category:		MLBS
Quantity demanded		
- Sports	Special studies & trend analysis	mFUDs
- Commercial	Studies by ADF&G, NMFS, other	MLBS
Associate value		
- Sports	Assigned values based on consumer surplus estimates from special studies or RPA Program direction.	$/FUD
- Commercial	Market values derived from demand studies or ADF&G catch and production statistics	$/LBS

Existing and projected supply for each RPA reporting category	Estimated by fisheries staff based on quantity and suitability of habitat or using existing data	FUDs, MLBS, or #'s of animals
Enhancement opportunities	As identified via the fisheries enhancement planning process.	Acres and location
Rehabilitation needs	Same as above.	Acres and location
Forest Service costs for: Fish habitat improvement projects (CF22, CF23): construction rehabilitation maintenance administration	These costs are tracked by the fisheries staff in the RO or the Areas, as well the engineering staff.	$/Site and Type of site
Associated requirements for:		
Identify Management Indicator Species (MIS)	These will be chosen from the possible MIS described in Technical Publication R10-TP-2.	Species name
Viable Population levels for each MIS	These will be expressed as numbers of fish. However, in constructing the FORPLAN model these numbers will be translated into acres of suitable habitat.	# of fish
Habitat needed to support MIS viable populations	As determined by coordination with the Alaska State Department of Fish and Game.	Acres by habitat type ---- Location
Habitat suitability index	As determined by coordination with the Alaska State Department of Fish and Game.	Habitat suitability index
Channel type - management requirements	Define the area adjacent to each channel type that needs to be managed as an integral unit if fisheries management is the primary emphasis.	Acres associated with each channel type
Timber		
Projected demand by end-product: sawn product (by species) dissolving pulp wood chips logs (by species)	Expressed as a price-quantity relationship based on special demand studies. Market prices on a f.a.s. basis either derived through demand studies (FS research, Dave Garrett, other)	$/unit

	of from historic averages of appraisal data (2400-17) end-product selling values).	
Stumpage values by: species diameter log grade/volume class	Calculated as a residual value from end-product prices using Regional Office appraisal data.	$/MBF
Projected gross and net yield by: species age volume class site index end-product (e.g. pulp, logs, cants, other)	Timber yields from NFS lands will be expressed in cubic foot measure with a corresponding board foot conversion ratio for each species, age, volume class, end-product combination. Derive existing yield information from inventory data. Derive regenerated yields from the SEAPROG growth and yield model. Link site index to soil productivity.	MCF/Acre
Operator costs for:		
Harvest, yarding, and haul by: logging system land type/slope stand age volume class management prescription (Rx)	These costs will be compiled from historic data and refined for these specific variables using information from multi-entry layout analyses.	$/MCF
Manufacturing by: species diameter log grade end-product	Industry costs compiled by the timber sales staff for appraisal purposes.	$/MCF
Barge and rafting cost to mill	Same as above.	$/MCF
Forest Service costs for:		
Timber sale preparation (ET114) by: volume class stand age land type Rx	Determined through the Forest Service MARS and PAMARS reports and timber staff information. Note: May not be available by stand age or volume class.	$/Acre
Timber harvest administration (ET12) by: volume class land type Rx	Same as above.	$/Acre
Timber Resource Inventory (ET111)	Same as above.	$/Acre

Reforestation (ET24) by: land type Rx	Costs tracked through the TMIS database and MARS. TMIS only includes contract costs. Costs of overhead and administration need to be obtained from Areas.	$/Acre
Timber Stand Improvement (ET25) by: land type Rx	Same as above.	$/Acre
Returns to Treasury from timber sales	Fiscal and accounting records.	$M
Soil and Water		
Projected demand for consumptive water uses by RPA reporting category.		
Quantity demanded	Use the municipal watershed information gathered from each community. Information needs to be developed for those isolated communities that do not have a formal watershed agreement.	M Acre ft
Associated value	Assigned values based on consumer surplus estimates from special studies or RPA Program direction. Values will be applied only to water yields above background levels.	$/Acre ft
Existing and projected supply of consumptive water resources for each RPA reporting category	Hydrologic estimates of water yield linked to management Rx's	M Acre ft
Enhancement opportunities	Hydrologic estimates of the effects of different management activities.	Acres and location
Rehabilitation needs	Hydrology and soils information.	Acres and location
Forest Service costs for Watershed Resources: Improvement (FW2) Inventory (FW111) Administration (FW12) Monitoring (FW121)	Fiscal and accounting records and hydrology and soils information.	$/Acre
Support analyses for: Over-steepened ground	Soils and hydrology staff to identify.	Acres and location

Mass failure risk	Develop risk indices (relates to the watershed disturbance index)	Indices
Soil productivity	Link between soil productivity and regenerated timber yield.	Indices
Watershed Disturbance Index	Develop a cumulative watershed disturbance index based upon the characteristics of the land, the Rx being applied, the duration of the disturbance, and the level of cumulative effect that cannot be exceeded (minimum water quality standards).	FORPLAN model coefficients
Minerals/Energy		
Projected demand for minerals: and energy resources by RPA reporting category.		
Quantity demanded	To be determined by the Forest Plan IDT -- need to describe in terms of world and local market variables, and conditions	M Tons/ other by type
Associate values	Based on market prices	$/Unit
Existing and projected supply of minerals and energy resources for each RPA reporting category	To be determined by the Forest Plan IDT -- need to assess the existing and potential supply using various inventories and other information.	Location by type and volume
Forest Service costs for Minerals and Geology Resource: Inventories (GM111) Administration (GM112) Coordination (GM113) Preparation (GM114)	Fiscal and accounting records.	$M
Returns to the Treasury	Same as above.	$/Ton by type
Lands		
Existing special use permits by permit type	Forest Service FLURS database (maintained by the lands staff).	#/Type
Projected demand for special uses by permit type:		
Quantity demanded	Special studies & trend analysis	#/Type

Associated values	Expressed in terms of market prices or assigned values based on consumer surplus estimates from special studies or RPA Program direction.	$/Type
Forest Service costs for: Lands activity maintenance and location (JL23, JL24) Special use admin. (JL122)	Budgeting process and MARS.	$/Mile $/Type
Returns to Treasury from special use permits	Fiscal and accounting records.	$M
Value generated by permit type	Some special use permits may be valued both in terms of the market value being generated and as an expression of its assigned value using consumer benefit estimates based on special studies or RPA program direction. As a minimum, all will be expressed in terms of their assigned value.	$/Type
Facilities		
Operator costs for: Road construction by: land type road specification	Construction cost estimates and actual costs compiled by the engineering staff.	$/Mile
Road reconstruction by: land type road specification	Same as above but for road reconstruction.	$/Mile
Road and TTF maintenance by: road specification	Same as above but for road maintenance.	$/Mile
Forest Service costs for: Road and bridge construction (LT22) by: land type road specification	Construction cost estimates and actual costs compiled by the engineering staff.	$/Mile
Road and bridge reconstruction (LT22) by: land type road specification	Same as above but for road reconstruction.	$/Mile
Road maintenance (LT23) by: road specification	Same as above but for road maintenance.	$/Mile
TTF construction by type of facility (LT22 - part of road construction)	Same as above but for TTF construction.	$/Site

TTF maintenance by type of facility (LT23 - part of road maintenance)	Same as above but for TTF maintenance.	$/Site
Administrative sites/building construction (LF222)	Fiscal and accounting records and engineering estimates.	$M
Administrative sites/building maintenance (LF232)		$M
Facility preparation and administration (LF11, LF12)		
Protection		
Forest Service costs for: Fire management operations (PF1) Law enforcement operations (PF1) Forest pest management (QC, QR)	Fiscal and accounting records.	$/Acre may use an aggregate cost here
General Administration		
Forest Service costs for: Line Management (TG3) Program support (TG4) Land Management Planning (ML) Monitoring and Evaluation (various) Other (TS, TW)	Fiscal and accounting records.	$M
Socio-Economic		
Population characteristics	Identify key population characteristics by community, including % male/female, % native, age, seasonal changes in population. Based on a variety of community data from the Bureau of Census, State Depts. of Labor, Community and Regional Affairs, and ADF&G (Division of Subsistence and Native Corporations.	% and number
Economic Structure	Employment and income by major economic sector (recreation, fishing, timber, mining, government), seasonality of employment and average household income by community. Estimate direct, indirect and induced levels of employment and earnings based on data from AK Dept. of Labor, Bureau of Census, FS input-output model (IPASS).	%, number, season, $/household

Community Structure	Numbers and type of community and support services, and social organizations by community. Based on State Dept. of Community and Regional Affairs and Native Corporations.	narrative description
Land Use Patterns		
Existing and projected subsistence use levels (demand) by type of use	Use results of Forest Service survey being developed. This needs to be coordinated w/Alaska State Division of Subsistence. Also, use wildlife and fish population trends and use trends	Variable may be FUDs, WUDs MLBS, MCF, animal #s
Identify subsistence use opportunities by type of use	Same as above.	Location, type of use, land type, and species
Existing and projected supply of subsistence use opportunities by type of use	Same as supply estimates made for supply of fish and wildlife.	Variable may be FUDs, WUDs MLBS, MCF, other
Attitudes, beliefs and values	Identify community attitudes, beliefs and values regarding the use and management of Forest resources. Based on public scoping, opinion polls, and surveys conducted by the ADF&G (Division of Subsistence) and and Regional Affairs, and Forest Service subsistence survey results.	narrative description
Economic Analysis parameters:		
Base year	Identify the Fiscal Year that is to serve as the base year for subsequent analyses of costs and benefits. (WO may direct.)	Base FY
Trends	Identify the timeframe for use in deriving statistical trend information.	Base years for analysis

3. FORPLAN and the Development of the AMS

The Washington Office has defined the procedural direction for the analytical portions of the AMS, specifically the use of FORPLAN, a linear programming model. This direction was issued under FSH 1909.12 (draft) and the May 31, 1983 and August 8, 1983 Gary E. Cargill letters to the Regional Foresters. The AMS procedures and key definitions are provided below. It is important to note that the AMS procedural direction has been re-written somewhat to reflect the analysis needed to support the revised Forest Plan on the Tongass. For technical details, refer to Appendix A (Standards for Analysis).

For the planning problem to be modelled correctly in FORPLAN, the Forest land base must be stratified in a hierarchical system that permits a logical approach in handling and analyzing the information used in support of revising and, ultimately, implementing the Forest Plan. Typically the Forest is divided into Capability Areas, Analysis Areas and Management Areas.

Capability Areas

As noted previously, capability areas are the smallest land units used in forest planning. A capability area is an identifiable, contiguous area of land that, because of its characteristics, responds to management prescriptions in a relatively similar manner throughout its area. These characteristics generally include physical and biological factors, and may also reflect issues identified during the planning process. Each capability area is uniquely defined since they serve as the base polygon for resource date collection, storage and retrieval. Capability areas will be delineated and mapped using the 1:31,680 quarter-quad format ortho-photo map base and the following factors:

a) Existing and potential vegetation--Vegetation is to be mapped using the smallest delineation in available inventories. Timber type maps, stands inventory data, the Plant Associations data developed during the soils inventory process, and LANDSAT imagery will be evaluated to determine how best to characterize existing vegetation.

Note: the Forest Plan IDT has yet to determine whether existing vegetation will actually serve as a line determinant. The current thinking is that existing vegetation will be used to help characterize a capability area based more on soils productivity and the climax vegetative type derived through plant association.

b) Soils--Maps and information from the soils resource inventory process will be used. Order 4 has been identified as the minimum acceptable level of soils inventory detail.

c) Slope--Same as soils above.

d) Administrative boundaries:
   1) State
   2) Borough (Cities and Towns not in Boroughs)
   3) Administrative Areas
   4) Ranger Districts
   5) Administrative sites
   6) Ownership (groupings are: FS land, other Federal land, State land, Native, and all other ownerships)
   7) Administratively and legislatively classified areas
   8) Roadless areas
   9) Compartment boundaries
   10) Existing VCU boundaries (watershed)
   11) Experimental Forests

Other delineators may include special areas (i.e. floodplains, riparian zones, wetlands, and streamside protection zones), minor watershed boundaries, lakes, reservoirs, transportation zones, and visually significant areas. The Administrative Areas will need to be consistent in evaluating these factors and the associated level of detail. The degree to which these factors will influence capability area delineation will depend upon the significance of the related issues, concerns, opportunities, and management decisions that need to be addressed.

Analysis Areas

Since capability areas are far too numerous to be addressed individually in the FORPLAN model, they are aggregated into analysis areas. Analysis areas are, in turn, used in FORPLAN to represent land types that have the same physical and biological characteristics and respond similarly to management activities. Though analysis areas are an aggregation of similar capability areas, they are seldom contiguous. Defining analysis areas is a critical step in the analytical process since these areas form the basis for all subsequent analyses. Data accuracy and the requirements of the FORPLAN model must be considered to ensure that: 1) existing data can support the detail being defined; and 2) FORPLAN model limitations and reasonable modelling costs are not being exceeded.

The benchmark and alternative analyses rely on the cost and yield coefficients entered for each analysis area. These analyses define the decision space and, ultimately, describe the effects of implementing the alternatives. The identification of analysis areas must, therefore, capture the significant social, biological and economic differences in response to various management strategies. Such differences often influence the identification of analysis areas as well as the structure of the FORPLAN model since it is necessary to incorporate spatial considerations (e.g. lands accessed or associated with a proposed road system, wildlife habitat, or visual quality objectives). Again, these differences must be viewed in light of the issues driving the revised Forest Plan and agency reporting requirements.

Management Areas

Management Areas (MAs) are non-contiguous areas of land that consist of one or more capability areas or analysis areas or portions thereof that share a common management prescription. It is an area with specific management goals, objectives, standards, and guidelines that comprise the management prescription. Typically, a Management Area will be scattered throughout the Forest, though it may be desirable to identify them across some geographical boundaries (e.g. Administrative Area, other). Each Management Area will be mapped primarily to facilitate Forest Plan implementation and to display what is being prescribed in each forest plan alternative and the associated locations. In contrast to the LUD map provided with TLMP, Management Areas will exhibit considerably more detail, both in terms of their number and distribution across the Forest. This will facilitate future management and improve public understanding of Forest Service proposals.

Management Prescriptions

Management prescriptions are defined by NFMA regulations as the set of management practices and associated intensity selected and scheduled for application on a specified area of the Forest in order to attain multiple use and other goals and objectives. Each of these management prescriptions will appear in the Forest Plan as detailed narratives that describe individual activities or groups of activities, the specific standards and guidelines to be employed, and other information to facilitate implementation. These management prescriptions are to be developed by the Forest Plan IDT with considerable assistance from Forest personnel, and then translated into prescriptive choices which are made available in FORPLAN for each analysis area. Management prescriptions are discussed in more detail below (refer to III.B.8.).

What Must be Evaluated

Each of the applicable resources discussed in 36 CFR 219.13 through 219.26 must be addressed in the Forest Plan through the development of specific standards and guidelines, management prescriptions, or other management direction. In some cases management requirements are translated into modeling constraints and are simulated or proxied in the FORPLAN model. Aside from those constraints used to specify the total available acres, or to make the model work correctly from a technical standpoint, FORPLAN modeling constraints can be divided into four basic categories, each of which is described later in more detail (refer to Section III.B.4-7.):

a) Minimum Management Requirements (MMRs) are taken from 36 CFR 219.27 and generally represent requirements outside of Forest Service authority to change (i.e. statutes and regulations in contrast to manual and handbook direction or agency policy). By definition, these requirements represent "absolute minimum" constraints needed for consistency of analysis nationally. Because these requirements are 'absolute minimums,' they do not include Forest Service policy. Generally speaking, it is expected that managing the Forest at an absolute minimum level will not be politically or socially acceptable and, therefore, probably not implementable.

b) Timber Policy Constraints are needed to ensure that timber harvest meets long-term sustained yield, culmination of mean annual increment, and dispersion requirements.

c) Minimum Implementation Requirements are needed to ensure alternatives are minimally acceptable and implementable on the ground, and to provide consistent application of requirements that are common to all alternatives. While requirements within this category are within agency control, there is little discretionary control at the Forest level regarding their application on the ground.

d) Forest constraints are needed to model those aspects of forest management dependent upon local conditions. There are two kinds of forest constraints: those common to all alternatives (e.g. technical constraints needed to ensure implementation); and those unique to an alternative (e.g. constraints needed to meet the particular theme of the alternative).

It is important to note that the MMRs and some of the timber policy constraints are the only constraints applied at the benchmark level. As such, benchmarks represent "unconstrained" analyses. Each benchmark evaluates resource opportunities at the extreme points of the available decision space. This, in turn, provides the Forest Plan IDT with the information they need to complete the AMS.

How Constraints Work in FORPLAN

In linear programming, the solution being sought is termed the objective function. This objective function can be financial, a specific resource condition (e.g. timber or recreation), or any other output or effect being scheduled within the model, and it can maximize or minimize a particular output or effect. Solving for the objective function is subject to all the constraints being satisfied first. That is, the constraints must be met or no solution is found.

Ensuring that constraints are reasonable, requires a careful documentation of the resulting tradeoffs and, in the case of major constraints, a display of the effects on present net value and differing resource values. To meet these documentation requirements, each major constraint or constraint group is evaluated incrementally using the process described in Appendix A (Standards for Analysis). Incremental analysis will be used by the team to analyze and display the effects of the MMRs, timber policy constraints, minimum implementation requirements, and Forest constraints.

It is important to note that many of these constraints are highly spatial in nature and that their representation within the FORPLAN model will be one of the more significant challenges of revising the Forest Plan. Examples of spatial constraints include wildlife habitat, transportation systems and the acres considered accessed by such systems, visual quality objectives, cumulative watershed effects limits, and others. While Version 2 of FORPLAN is a very powerful analytical tool, it does have limitations, particularly when considering the size of the Tongass and the layers of spatial control that are possible. The Forest Plan IDT will need to identify how and where to employ spatial constraints in support of the revised Forest Plan and where to defer them to Forest Plan implementation.

4. Minimum Management Requirements

There are several different resource areas that lend themselves to the identification and imposition of MMRs. The following have been identified and are described in more detail below:

Identifying Lands Tentatively Suitable for Timber Production
Viable Populations
Habitat Diversity
Riparian Areas
Soil Productivity and Water Quality
Harvest Unit Size and Dispersion

The effects (opportunity costs) of MMRs upon the FORPLAN solution are to be analyzed and displayed using the incremental analysis procedure described in Appendix A (Standards for Analysis).

In his June 11, 1987 letter to the Chief, Douglas W. MacCleery (USDA Deputy Assistant Secretary for Natural Resources and Environment), affirmed the CHief's decision regarding the Administrative Appeal of Region 6's Minimum Management Requirements Direction (Appeal No. 1770). In so doing, he noted the "particularly pertinent points raised by the appellants and intervenors... ." In developing MMRs, the Forest Plan IDT will need to consider the points described in this letter, including:

"1. There may be a variety of means and approaches to achieve a particular legal requirement. Where the preferred approach can be expected to result in substantial limitations on other resource uses, the Forest Service should discuss the alternative approaches it evaluated in determining how best to meet its legally mandated requirements. The rationale for selecting the preferred approach or approaches should be documented.

2. The specific provisions in law or regulation which a particular MMR measure is designed to address should be identified and the rationale for the judgement that that MMR measure will result in meeting that particular law or regulation should be discussed.

3. There should be a discussion of the extent to which the means selected to achieve a minimum legal requirement are based on scientific research and the extent to which they are based on field experience and professional judgement. Where contrary scientific research exists, it should be noted and its implications discussed.

4. Due to the varying physical and biological conditions, it is appropriate that measures adopted to meet a particular legal requirement may vary from National Forest to National Forest. However, the rationale for differences in MMR measures which vary among National Forests with apparently similar conditions should be described.

5. The degree of uncertainty involved in whether a specific measure will result in achievement of legal requirements, particularly during the 10 to 15 year-plan period, should be described.

6. The economic, environmental, and non-timber effects of the alternative approaches that were considered to meet legal requirements should be described and discussed."

Identifying Lands Tentatively Suitable for Timber Production

Prior to the Analysis of the Management Situation, forest lands are stratified into two broad categories: 1) lands tentatively suitable for timber production; and 2) lands not suitable for timber production. Lands tentatively suitable for timber production must be reviewed and assessed prior to the formulation of benchmarks and alternatives to determine the costs and benefits associated with a range of timber management prescriptions. It will be necessary to develop a range of timber prescriptions since in response to NFMA Section 6(g)(3)(F)(i), which in directing the development of implementing regulations, states that:

> "The [NFMA] regulations shall include, but not be limited to specifying guidelines for land management plan developed to achieve the goals of the [RPA] Program which insure that clearcutting, seed tree cutting, shelterwood cutting, and other cuts designed to regenerate an evenaged stand of timber will be used as a cutting method on National Forest System lands only where, for clearcutting, it is determined to be the optimum method, and for other such cuts it is determined to be appropriate, to meet the objectives and requirements of the relevant land management plan."

During the development of the AMS, MMRs and some of the timber policy constraints (benchmark constraints) are evaluated through incremental analysis to determine their effects upon lands identified as tentatively suitable for timber management. The final determination of lands suitable for timber production is accomplished during the formulation and evaluation of alternatives. This final determination varies by alternative in that the lands identified through benchmarks as being tentatively suitable for timber production may be found unsuitable due to the objectives of the alternative being considered. Changes in suitability determination may occur due to the following circumstances:

a) If, in considering multiple-use objectives, tentatively suitable lands are proposed for resource uses that preclude timber production.

b) If other management objectives limit timber production activities to the point where MMRs cannot be met.

c) If the lands are not cost efficient, over the planning horizon, in meeting forest objectives, including timber production.

The process used to identify lands suitable for timber production is described in FSH 2409.13--23 and involves the timber suitability criteria listed below. Suitability criteria a) through f) are used to identify lands 'tentatively suitable for timber production' (FSH 2409.13--21.6). These lands are then treated as a 'fixed input to the forest planning model' (FORPLAN) and are used as such in the establishment and evaluation of benchmarks and alternatives.

a) Does the land meet the FSH 2409.13--05.7 definition of 'forest land'? (FSH 2409.13--21.1)
    If NO -- the land is unsuitable (nonforest)
    If YES -- apply next suitability criterion

b) Is the land withdrawn from timber production? (FSH 2409.13--21.2)
    If NO -- apply next suitability criterion
    If YES -- the land is unsuitable (withdrawn)

c) Is the land capable of producing industrial wood? (FSH 2409.13--21.3)
    If NO -- the land is unsuitable (nonindustrial wood)
    If YES -- apply next suitability criterion

d) Is the technology available to ensure timber production without irreversible resource damage to soil productivity or watershed conditions? (FSH 2409.13--21.4 and 41)
    If NO -- the land is unsuitable (inoperable due to a lack of technology; irreversible resource damage will result)
    If YES -- apply next suitability criterion

e) Can the area be adequately restocked within 5 years? (FSH 2409.13--21.42)
    If NO -- the land is unsuitable (restocking)
    If YES -- apply next suitability criterion

f) Is there adequate response information available? (FSH 2409.13--21.5)
    If NO -- the land is unsuitable (inadequate information)
    If YES -- these lands are tentatively suitable for timber production

During the benchmark analyses and the formulation and evaluation of alternatives, criteria g) through j) are applied to further define those lands considered suitable and appropriate for timber production. In evaluating these benchmarks and alternatives, it is important to document the reasons for incremental reductions in the lands considered suitable and appropriate for timber production.

g) Having applied MMRs, is the land selected for timber production? (FSH 2409.13--23.1)
If NO -- the land is not appropriate for timber production (describe why -- e.g. viable populations for Management Indicator Species, water quality, habitat diversity, or other factors)
If YES -- apply the next criterion

h) Having applied Minimum Implementation Requirements, is the land selected for timber production? (FSH 2409.13--23.2)
If NO -- the land is not appropriate for timber production (describe why -- e.g. visual quality, habitat above minimum requirements, or other factors)
If YES -- apply the next criterion

i) Having applied constraints unique to each forest plan alternative, is the land selected for timber production? (FSH 2409.13--23.2)
If NO -- the land is not appropriate for timber production (describe why -- e.g. recommended wilderness, or other factors)
If YES -- the remaining land is suitable and appropriate for timber production (probably resulting in a different land base for each alternative).

Note: Criteria h) and i), in combination, incorporate the 'Multiple-use Objectives' described in FSH 2409.13--23.2.

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j) Having solved under an objective function of 'Maximize Net Present Value,' is the land selected for timber production? (FSH 2409.13--23.3)
If NO -- the land is not appropriate for timber production since it is not cost efficient
If YES -- the remaining land is suitable and appropriate for timber production (FSH 2409.13--24) (Note: the resulting acres at this point form the land base to be used in the construction of alternatives.)

On January 12, 1987 the Chief signed a letter (Planning the Management of the Timber Resource on National Forest Lands) that effectively changed the manner in which the allowable sale quantity (timber) is calculated. The Chief has stated that: "Although economic efficiency is an important criterion, the uncertainty of future demand also deserves recognition and consideration." The letter also states that:

> "Where ... demand is temporarily limited below that anticipated, consider a different draft alternative, design a new alternative, or modify the preferred alternative to satisfy the projected demand. For example, where current harvest levels from private lands cannot be sustained. Identify the increase in the suitable land base and define the related increment of the ASQ [Allowable Sale Quantity] as a noninterchangeable component of the total ASQ in the planning documents. The total ASQ must be scheduled and the environmental effects discussed. However, timber sales are not to be programmed on these lands or the volume they contribute to the ASQ offered for sale until the demand materializes.
>
> "... tenatively suitable lands not selected for timber production because they are presently not needed to meet Forest plan objectives but which would otherwise be available for timber harvest are to be described in the Forest plan and ROD ..."

Under this direction, the ASQ will be calculated using the best projected demand. The ASQ will then serve as a ceiling, within which the Forest Plan IDT will define lower levels of timber sale preparation/offer and the market conditions associated with each. The intent of this direction is threefold:

1) to define the overall ASQ and evaluate/describe the associated effects;
2) to define the noninterchangeable components that sum to the ASQ; and
3) to define the market conditions needed to prepare/offer each component (i.e. how much to raise and lower the timber sale preparation/offer level, and where, as market conditions change).

Note: It is also important to note that the ASQ will vary by alternative.

Viable Populations

A viable population exists when the numbers and distribution of reproductive individuals is sufficient to ensure the population's continued existence. A viable population is further defined as being capable of maintaining itself over time in the face of environmental changes, both natural and man-caused. This includes the recovery of threatened or endangered species, the maintenance of all other species above threatened status, and the maintenance of the functional integrity of forest ecosystems. In order to ensure that viable populations will be maintained, habitat must be provided to support a minimum number of reproductive individuals. This supporting habitat must be well distributed so that individuals can successfully interact with others on the Forest. Viable populations have yet to be defined and any supporting analytical models have yet to be fully developed and tested.

A combination of model constraints and standards and guidelines are needed to ensure that all vertebrate species reach or maintain population viability. This involves: 1) the use of management indicator species to represent vegetation types, seral stages, and special habitat elements necessary to provide for all fish and wildlife species on the Forest; 2) the use of the Wildlife and Fish Habitat Relationships (WFHR) Program, particularly the habitat capability models and special habitat criteria developed to determine the amount and distribution of suitable habitat and the risk of losing population viability; and 3) the maintenance of a diversity of anadromous fish, plant and animal communities. For the purposes of constraint analysis, the various components of viability will be identified and analyzed separately.

Habitat Diversity

Where appropriate and to the extent practicable, plant and animal communities are to be managed so diversity will remain similar to that currently existing on each Administrative Area of the Forest. Reductions in diversity from current conditions may be prescribed only to meet the overall multiple-use objectives of a forest plan alternative. Though NFMA does not require that the Forest manage for any particular level of diversity, some justification must be provided for the level of diversity being managed for on the basis of overall multiple-use objectives. To this end, habitat diversity goals must be identified, FORPLAN or other constraints developed, and management prescription standards and guidelines drafted to ensure that the desired levels of habitat diversity are achieved for the various plant and animal communities on the Tongass. This may best be done by identifying vegetation type, habitat type, and/or seral stage thresholds for each Administrative Area.

Riparian Areas

Riparian management requirements relate to the protection of streams, streambanks, shorelines, lakes, wetlands, and the plants and animals dependent on these areas. These requirements are intended to prevent undesired changes in riparian area water temperature, chemistry, sedimentation, and stream channel characteristics. Management may occur within riparian areas but not to the detriment of riparian dependent resources.

Soil Productivity and Water Quality

Minimum management requirements must be defined to conserve soil and water resources, and to prevent significant or permanent impairment of the land's productivity. During the development of the AMS, existing or potential watershed conditions influencing soil productivity, water yield, water quality, and coastal zone management must be evaluated. Based on this evaluation, the Forest Plan IDT must define watershed and coastal zone disturbance limits as a means of minimizing losses in soil productivity, degradation of water quality, and significant adverse effects within the coastal zone. These limits can, in turn, be translated into FORPLAN model constraints and Forest Plan management prescriptions (i.e. standards and guidelines). It is important to note that MMRs related to the maintenance of soil productivity and water quality must be developed in cooperation with the State of Alaska and are subject to provisions within the Clean Water and Coastal Zone Management Acts.

Harvest Unit Size and Dispersion

Harvest unit size and dispersion management requirements will be developed in response to NFMA regulations and Regional Guide standards and guidelines. The Forest Plan IDT and Forest personnel need to develop constraints that ensure the maximum allowable clearcut size is not exceeded and that clearcuts do not occur adjacent to existing clearcuts until such time as the existing clearcuts have been adequately restocked.

5. Timber Policy Constraints

There is a need to ensure that all even-aged stands scheduled for harvest have reached culmination of mean annual increment (CMAI) of growth, as measured in utilized cubic feet of merchantable sized trees. The range of rotation ages used in FORPLAN should begin at CMAI (earlier if merchantable) and extend far enough into the future so that existing and regenerated timber stands can be evaluated. This will ensure sufficient timing choices to create a regulated forest condition (i.e. equal areas of land in each age class wherein the oldest stands, if harvested annually, would produce a sustained yield). It will also provide the variety of tree sizes required to meet the needs of other resource values. The effects (opportunity costs) of timber policy constraints upon the FORPLAN solution are to be analyzed and displayed using the incremental analysis procedures described in Appendix A (Standards for Analysis).

Note: It has yet to be determined how the long-term timber sale contracts will be incorporated into the analysis and at what point in the analysis.

6. Minimum Implementation Requirements (MIRs)

In order to ensure that forest plan alternatives (not benchmarks) are minimally acceptable and can be implemented on the ground, it is necessary to develop minimum implementation requirements. Generally these requirements are within agency control but little discretionary control exists at the Forest level regarding on the ground application. Minimum implementation requirements apply only to alternatives and they are common to all alternatives. An example of an MIR might be the maintenance of a minimum level of visual quality along the Alaska Marine Highway travel corridor. While not legally required, this requirement may be desirable and incorporated as such within each alternative. The effects (opportunity costs) of minimum implementation requirements upon the FORPLAN solution is to be analyzed and displayed using the incremental analysis procedures described in Appendix A (Standards for Analysis).

Other probable MIRs (e.g. subsistence uses) may find their origins in law. ANILCA Section 802(1) states that: "...consistent with sound management principles, and the conservation of healthy populations of fish and wildlife, the utilization of the public lands in Alaska is to cause the least adverse impact possible on rural residents who depend upon subsistence uses of the resources on such lands..." and provides for "...the opportunity for rural residents engaged in a subsistence way of life to do so."

Section 810(a) of ANILCA requires Federal agencies having primary jurisdiction over lands "to evaluate the effects of use, occupancy, or disposition on subsistence uses and needs, the availability of other lands for the purposes sought to be achieved, and other alternatives which would reduce or eliminate the use, occupancy, or disposition of lands needed for subsistence purposes." The Forest Plan IDT will need to determine how best to address the subsistence issue. This will necessitate the identification of where subsistence uses and opportunities exist, what resource are associates with subsistence use, and what affects (positive and negative) Forest management activities have on subsistence uses. This information will assist the Forest Plan IDT in their efforts to evaluate and to incorporate subsistence use considerations in support of the revised Forest Plan.

Depending upon the findings of this evaluation, the Forest Plan IDT may elect to employ FORPLAN modelling constraints, develop subsistence management prescriptions, draft standards and guidelines, and/or other means of ensuring that the ANILCA requirements are achieved. To the extent that subsistence uses are addressed through FORPLAN, the associated modelling constraints will need to be developed and fully described. In a manner similar to habitat diversity (described above), subsistence uses may be addressed through the identification of vegetation type, habitat type, and/or seral stage thresholds which are then incorporated into FORPLAN and applied as constraints upon or development opportunities for certain areas of the Forest.

7. Forest Constraints

Forest constraints are developed by the Forest Plan IDT in association with each forest plan alternative. These constraints are developed by the Forest Plan IDT and Forest personnel and are often in response to the issues identified through formal public scoping. Forest constraints are neither required by law nor policy and as such are not applied to any of the benchmarks. There are two kinds of forest constraints:

a) those common to all alternatives (i.e. technical constraints needed to ensure the alternatives can be implemented at the local level). For example, the initial FORPLAN solution for an alternative may identify timber sale preparation and offer needs of 160,000 acres in decade 1, 500,000 acres in decade 2, and only 90,000 acres in decade 3. This wide variation would require a rapidly expanding and contracting Forest organization. To reduce such wide variations, the Forest Plan IDT may impose an upper limit upon the model to limit the number of acres that can be prepared and offered in any given decade.

b) those unique to an alternative (i.e. constraints needed to meet the particular theme of the alternative). For example, an alternative may make a wilderness recommendation. Since this recommendation may only occur in one alternative, it need only be developed for that alternative.

It is important to note that the Forest Plan IDT and Forest personnel will make use of the second type of forest constraints (i.e. those unique to an alternative) to fully develop each forest plan alternative. In each case, the team will employ these constraints in an effort to ensure that the primary emphasis of the alternative is achieved by the model. During this step in the process, the Forest Plan IDT can make best use of the very site-specific information provided during formal public scoping. For example, an alternative may focus on the management of elk habitat on Etolin Island. This process often requires several iterations to fully develop each alternative and to evaluate and display the effects (opportunity costs) of model constraints upon the FORPLAN solution in accordance with the incremental analysis procedures described in Appendix A (Standards for Analysis).

FSH 1909.12--3.58 (draft) describes the documentation requirements regarding the constraints imposed on forest plan alternatives as follows:

a) List and describe constraints for every planning alternative analyzed in detail. Separate those that are common to all alternatives, such as constraints required to honor MMRs, from those that vary by alternative.

b) Explain in detail why each constraint, or related set of constraints, is necessary. Explain how the constraints meet MMRs, environmental standards, or multiple-use goals and objectives. The identification of issues, concerns, and opportunities should provide specific reasons for having certain constraints; if so, explain.

c) To the extent that constraints common to each alternative are additional to those required to meet MMRs (and are not necessary to ensure that the alternatives can be implemented from a technical standpoint), explain why it is necessary to include them in every alternative or why they do not vary among alternatives.

d) Define the monetary opportunity costs and other resource implications of constraints that significantly reduce present net value. Always do this for constraints that are common to all alternatives. Make every effort to make these determinations during the systematic process of formulating alternatives.

e) Describe the processes used to test and evaluate all constraints to ensure that they are cost efficient in achieving the objectives of each alternative.

8. Management Prescriptions and FORPLAN Prescriptions

Management prescriptions are defined by NFMA regulations as the set of management practices and associated intensity selected and scheduled for application on a specified area of the forest in order to attain multiple use and other goals and objectives. Each of these management prescriptions will appear in the Forest Plan as detailed narratives that describe individual activities or groups of activities, the specific standards and guidelines to be employed, and other information to facilitate implementation. These management prescriptions are to be developed by the Forest Plan IDT with assistance from Forest and District personnel, then translated into prescriptive choices which are made available in FORPLAN for each analysis area.

Region 10 distinguishes between FORPLAN prescriptions and management prescriptions. Management prescriptions are written in anticipation of and, to some degree, are a result of spatially allocating FORPLAN solutions and imposing the associated standards and guidelines. FORPLAN prescriptions, on the other hand, are sets of activities without built-in constraints. For example, FORPLAN timber prescriptions represent management regimes, not silvicultural prescriptions. They are proxies for any number of silvicultural prescriptions that might be applied and are used merely to predict output values, not to dictate project sequences. This holds true all prescriptions even those that do not involve timber harvest activities. It is important to note that model constraints (described above) are used to control FORPLAN solutions (i.e. timing and allocation of prescriptions) in a variety of ways.

Each FORPLAN prescription serves as a proxy for the overall management prescription in that it defines the permitted management practices (i.e. specific activity, measure, course of action, or treatment), what is produced or results, and the associated costs and benefits. Defining analysis areas and the associated FORPLAN prescriptions is an iterative process wherein: 1) analysis areas are initially defined as a means of estimating the effects of management practices; 2) management practices are then identified for each analysis area based on the resource opportunities available there and the issues to be resolved; and 3) analysis areas may, in turn, be redefined based on the management practices identified. To develop a reasonable range of alternatives, it is necessary to identify a range of suitable management prescriptions for each analysis area.

Identifying management prescriptions and translating them into FORPLAN prescriptions is an important and often laborious step that is necessary in order to:

a) ensure that the FORPLAN model has sufficient flexibility to optimize the desired effects for any benchmark or alternative;

b) allow an evaluation of a broad range of management prescriptions; and

c) evaluate the economic efficiency of these management prescriptions.

Identifying a reasonable range of management prescriptions is difficult, time-consuming, and often requires several iterations. The Forest Plan IDT will need to identify management prescriptions that range from a minimum level of management to the most intensive levels of management, given the resource attributes specific to each analysis area. In developing management prescriptions, the team must ensure that analysis area characteristics and the associated data can be used to determine where specific management practices are most appropriate, and to locate opportunities for resource use. (Refer to Appendix B, Example Management Prescription.) This information will also be used in developing coefficients for the FORPLAN model that describe effects and output levels. These coefficients are the numerical representations used by the model to characterize and constrain resource outputs (e.g. timber yields, other) and, to some degree, effects (e.g. budget, harvest unit dispersion, habitat suitability, other). Specific tasks associated with the development of management prescriptions include the following:

a) Review the public issues, management concerns, and resource opportunities and in response to these, develop a comprehensive listing of the suitable management activities. Express these management activities in terms of their appropriate budget activity codes so as to incorporate them into the budget process.

b) Review the analysis areas definitions and determine the appropriate management activities for each. This determination will be based on the inventory data and information that is available and a review of the past success or failure of the various management activities in various locations/conditions.

c) Develop a range of management prescriptions for each analysis area to ensure flexibility in maximizing net public benefits and addressing identified forest management issues. This effort will be based on the Issue Statements, resource data and information for each analysis area, and the MMRs. The management practices that comprise analysis area prescriptions must be carefully coordinated for all resources in the area. For example, under a management prescription emphasizing both visual quality objectives and timber management, the associated management practices must be compatible.

   Given the infinite number of resource combinations possible, it will be necessary to identify a reasonable range and number of management prescriptions. These management prescriptions must range from minimum level management (i.e. only those activities needed to maintain the forest and to meet minimum legal requirements) to more intensive forms of management. The resource attributes of differing areas of the Forest will assist in determining the applicability and suitability of these more intensive management prescriptions. The degree to which FORPLAN solutions are practical and alternatives realistic will depend largely on the degree to which management prescriptions can be implemented.

d) Review the planning criteria and the attributes/conditions of each analysis area. Based on this review, determine what considerations must be satisfied in light of the criteria, especially the MMRs. In some instances, spatially oriented constraints may need to be developed (e.g. to ensure there is sufficient habitat to support viable populations of certain wildlife species). In other cases, it may be necessary to include specific requirements at the analysis area level due to the site-specific nature of the area (e.g. soil stability requirements may need to be imposed where a soils hazard exists).

e) In defining and documenting management prescriptions, it will be necessary to:

1) describe the process used to develop management prescriptions, including steps taken to ensure that all feasible management prescriptions were considered;

2) demonstrate that the process used resulted in the development of the most economically efficient management prescriptions;

3) list the assumptions made while developing management prescriptions and describe the basis for these assumptions;

4) identify the management practices (activities) associated with each management prescription;

5) describe the objectives of each management prescription;

6) describe all suitable management prescription for each analysis area; and

7) list the criteria used to determine which management prescriptions are suitable or possible for each analysis area. These criteria include, but are not limited to:

    (a) a definition of resource capability;

    (b) qualifying/disqualifying resource attributes;

    (c) a definition of lands not available for timber or other resource management;

    (d) a definition of access strategy; and

    (e) a list of criteria for compatibility of management emphasis for each analysis area.

9. FORPLAN to Estimate the Effects of Management Prescription Implementation

The management activities prescribed for each analysis area will result in a range of differing effects when implemented, depending upon the activities and the type of land. These effects will be physical, biological, economic, and/or social, and are the basis for comparing and evaluating alternatives. Effects can be either positive or negative and may include such resource outputs as timber volume, pounds of fish, and recreation visitor days; the dollar value (market or assigned) of these outputs and the costs of the activities that produced them; or the levels of disturbance or resource trade-offs that have taken place.

Of the many direct and indirect effects of any management prescription, the Forest Plan IDT must determine which of these are relevant to the planning problem and which are to be tracked through FORPLAN prescriptions. Specifically, the Forest Plan IDT must determine which effects can be incorporated into the model through FORPLAN prescription linkages, and which effects must be evaluated outside of the model. Since each resource is affected differently by various management activities and/or intensities, the range of management prescriptions developed for each analysis area often results in a range of outputs and effects. Ensuring that the FORPLAN model accurately portrays these effects is a difficult task that requires substantial coordination among the various resource specialists and testing of initial model results for validity. In using FORPLAN to estimate effects (many of which are described in Section III.D. below) it is important to note that such estimates are but one step in a long-term analytical loop that includes Forest Plan implementation, monitoring and evaluation. The primary tasks associated with this effort include:

a) Reviewing/identifying the effects needed to evaluate and compare alternatives.

b) Conducting the pre-analyses needed to construct FORPLAN.

c) Evaluating how Version 2 of FORPLAN can be used to estimate some of the relevant effects. Determining how best to structure the analysis within FORPLAN model limitations.

d) Determining which effects can be modelled directly within FORPLAN and which effects need to be first evaluated outside of FORPLAN then entered into the model in the form of production functions and/or cost and value equations. The source of these effects is often growth and yield or other such simulation models. Another common source is professional judgement regarding the effects of implementing the differing management prescriptions; both the direct outputs and the effect on other resource values.

Effects can be expressed on a per acre or per area basis. Timber yields are an example of an output that is calculated on a per acre basis, while recreation visitor days for a developed recreation site would be determined on an area basis. Prices will be entered per unit of output, while costs can be entered on a per unit basis or per acre of activity.

Version 2 of FORPLAN allows a wide variety of means of incorporating resource outputs, effects, costs and values. Many are entered into the model directly and associated with the implementation of specific analysis area/management prescription combinations (e.g. timber harvest yields). Others are expressed as a relationship given prescription implementation and are often expressed as production functions, many of which represent time dependent effects over a prolonged period of time (e.g. the habitat dynamics of an area prior to timber harvest and after).

The Forest Plan IDT will need to develop these relationships for all types of analysis areas and the prescriptions being made available in FORPLAN for each. Given this information, it will be possible to develop the resource inter-relationships associated with various activities and levels of activity. For example, if a timber harvest prescription is selected for a particular analysis area, the model can generate the timber yield and economic information, the associated road construction activities and their costs, and the effects of these activities on other resource values (e.g. water quality as an expression of cumulative effect). Since the model tracks primarily on vegetative changes, it can be constructed to estimate the effects of prescription implementation on visual quality, wildlife habitat capability and suitability, and other resources affected by vegetative condition.

C. Formulation of Alternatives -- 36 CFR 219.12(f)

In the forest planning process, an alternative represents a particular combination of resource uses and a mixture of management practices that collectively achieve a desired management direction, goal, or emphasis. Each alternative represents a different way of managing the Forest's resources and serves to explore various ways of responding to public issues, management concerns, and resource opportunities on the forest. A goal of the Forest Service is to provide for multiple use and sustained yield of goods and services from the National Forests in a way that maximizes net public benefits in an environmentally sound manner. To achieve this goal, the Responsible Official (Regional Forester) must be provided an adequate range of forest plan alternatives from which to choose.

National statutory requirements for forest planning come from numerous laws and acts. Development of forest plan alternatives are directed primarily by two of these laws and their associated regulations: the National Forest Management Act of 1976 (NFMA) and the National Environmental Policy Act of 1969 (NEPA). Enacted prior to NFMA, NEPA largely served as the basis for much of the forest planning process and as the foundation for the alternative formulation discussion in the NFMA regulations. In fact, the NFMA regulations (36 CFR 219.12) direct the use of NEPA procedures in the formulation of alternatives.

In order to meet the requirements of NEPA and NFMA, the Forest Plan IDT will need to formulate a broad range of reasonable forest plan alternatives that are responsive to the issues (see Section II.) and defined ability of the Forest to meet society's demands for goods and services (AMS). The benchmark analyses associated with the AMS serve to define resource interactions and the extreme edges of the "decision space" available for formulating forest plan alternatives.

1. NEPA Requirements

FSM 1950.1 states that NEPA, as amended (42 U.S.C. 4321-4346):

> "...encourages the Forest Service to carry out its programs in ways that will create and maintain conditions under which man and nature to exist in productive harmony while meeting the social, economic, and other requirements of present and future generations.
>
> The act requires the the agency to study, develop, and describe appropriate alternatives to recommended courses of action in any proposal that involves unresolved conflicts concerning alternative uses of available resources.
>
> NEPA also requires a systematic, interdisciplinary approach to planning and decisionmaking for actions that may affect the human environment. The act also requires detailed statements on proposals for legislation and on other major Federal actions that significantly affect the quality of the human environment."

The stated objectives of the FSM 1950.2 NEPA direction is that the Forest Service seeks to:

> "1. Consider carefully the environmental consequences of agency planning and decisionmaking.

2. Conduct and document environmental analyses and subsequent decisions appropriately, efficiently, and cost effectively."

NEPA requires that a reasonable range of alternatives be considered, including "no action." The act further requires that the alternatives address the major public issues and management concerns that have been identified. In the case of forest planning, the 'no action' alternative is defined as a continuation of current management direction. A sufficiently broad range of reasonable alternatives must be developed, fully and impartially, so as to ensure that the range of alternatives does not foreclose prematurely any option that might protect, restore, and enhance the environment (FSM 1950.23). It is permissible to consider alternatives that are not within the jurisdiction of the Forest Service. NEPA regulations recognize that as the analysis proceeds, it may be necessary to modify alternatives or develop new ones. Alternatives are to specify the activities producing environmental effects, and must describe management requirements, mitigation measures, and the monitoring requirements associated with evaluating anticipated environmental effects.

2. NFMA Requirements

NFMA was enacted in 1976 as an amendment to the Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA). In describing the National Forest planning process, NFMA regulations require compliance with NEPA regulations in formulating alternatives. NFMA regulations also require that the planning process provide the basis for identifying the alternative which best maximizes net public benefits, while remaining consistent with other resource values and management requirements.

NFMA requirements for alternative formulation include the following (36 CFR 219.12):

a) Resource output levels in the alternatives must be distributed between the minimum and maximum resource potentials as determined through an Analysis of the Management Situation (AMS). These resource output levels should reflect the full range of major commodity and environmental resource uses and values that can be produced on the forest.

b) Alternatives should be formulated in a way which facilitates analysis of the opportunity costs, resource uses and environmental tradeoffs between benchmarks and the other alternatives.

c) Alternatives should be formulated so that the effects of providing non-monetary outputs on present net value, total benefits, and total costs can be evaluated.

d) Alternatives should provide different ways of addressing and responding to public issues, management concerns, and resource opportunities.

e) Reasonable alternatives can be formulated that may require changes in existing law or policy if such alternatives are necessary to address a major public issue, management concern, or resource opportunity.

f) At least one alternative should incorporate the RPA program resource objectives for the forest.

g) At least one alternative should reflect a continuation of current management direction and resource output levels (the "no action" alternative).

h) Each alternative shall represent the most cost efficient management prescriptions that can meet the objectives of that alternative.

i) As a minimum, each alternative must display the condition and uses resulting from the long-term implementation of that management direction, the timing and flow of the resulting goods and services, the associated costs and benefits, the resource management standards and guidelines, and the overall purpose of that alternative.

The Forest Plan IDT, in assuring that the NFMA requirements for alternative formulation are met, must pay particular attention to the experience gained from previous plans. Current planning efforts have resulted in numerous appeals and have involved considerable time and effort. One of the major problems identified through the appeal process has been the lack of a sufficient range of alternatives. The tendency has been to limit the range of alternatives to those most acceptable to a 'prudent' forest manager. From an internal Forest Service perspective this may appear to be a rational and efficient approach to the planning process. However, this can result in a failure to consider and document a full range of reasonable alternatives, and thus a failure to meet the intent of NEPA. Another common point of criticism has been inadequate EIS displays, or an inadequate evaluation of the cumulative effects and the flow of goods and services associated with an alternative. Such displays are critical to the evaluation of the alternatives in that they ensure that the long-term consequences of an alternative are considered in the planning process.

3. Documenting Alternative Formulation

The Forest Plan IDT will need to formulate a broad range of reasonable alternatives that address major public issues, management concerns, and resource use and development opportunities. (Refer to FSM 1922.13 for the minimum requirements for formulating alternatives.) For each alternative analyzed, the Forest Plan IDT will need to document the:

a) overall management approach and resource emphasis;

b) management goals and objectives and how they relate and respond to identified issues, concerns, and opportunities;

c) standards and guidelines necessary to achieve the alternative;

d) relationship of the alternative to benchmarks and how it falls within the range of management opportunities defined by the benchmarks;

e) FORPLAN constraints imposed, the rationale for these constraints, the constraint analysis (that is, an assessment of the costs of the constraint), and an evaluation indicating that the constraints were the most cost effective means to achieve the objectives of each alternative;

f) forest plan alternatives considered but eliminated from detailed study and the rationale for this elimination; and

g) forest plan alternatives considered in detail.

4. Guiding Principles to Alternative Formulation

The following principles govern the development of required forest plan alternatives:

a) In any alternative, ensure that a forest is not going to produce more of an output than its maximum capability.

b) Alternatives must use the same dollar values and estimated levels of economic demands for priced outputs as those used in the benchmarks. Explain the implications of using the adjusted values or demands in developing the alternative.

c) Ensure that each forest responds to the most current National Resource Planning Act Program objectives in the development of a plan alternative.

d) Always examine departures from the base sale schedule for the preferred alternative and for any other alternative that satisfies at least one of the departure conditions (36 CFR 219.16(a)(3)).

e) In examining departures, those forests designated by FSM 1922.15(6) to conduct additional analysis (the Tongass is not listed) must explore the possibility of using rotation lengths less than indicated by culmination of mean annual increment (CMAI). Other forests shall conduct such departure analyses as necessary to address public issues, management concerns, or resource use and development opportunities.

f) With two exceptions, do not apply budget constraints to any alternative considered in detail if the constraint results in foregoing economically efficient commodity production opportunities. The first exception is a budget constraint that may be applied to the current direction/no action alternative. The second exception is that budget constraints may be applied to alternatives specifically designed to define the implications of that budget constraint, provided that the environmental impact statement:

    1) Explicitly states the purpose of the alternative.

    2) Displays the specific implications of imposing the budget constraint.

    3) Does not reduce the obligation to discuss a full range of reasonable alternatives that reflect the budgetary authority granted in recent appropriations and that reflect probable future funding levels.

5. Required Forest Plan Alternatives

The FSH 1909.12, Chapter 3.5 describes the following required forest plan alternative:

a) Current Direction (No Action) Alternative -- The purpose of this alternative is to reflect the existing levels of outputs and to estimate the outputs and services that it would be possible to provide in the future if current allocations, direction, policies, and practices were to continue. The expectation is that this alternative would closely depict the actual operating program on the forest. The following specifications are to be used for this alternative:

1) Use land classification assignments that exist in current plans.

2) Meet minimum management requirements and indicate how current direction may have changed in response to better timber yield data.

3) Reflect the Administration's current recommendations for wilderness, wilderness study, and wild and scenic river designation. Assume that other roadless areas and wild and scenic rivers would be open to the full range of multiple-use prescriptions.

b) Emphasis on Market Opportunities Alternative -- The purpose of this alternative is to emphasize market resources, such as timber, range, minerals, commercial fish, and developed recreation. Management for other resources would be economically efficient, environmentally feasible, and consistent with emphasis on market outputs.

c) Emphasis on Nonmarket (Amenity) Opportunities Alternative -- The purpose of this alternative is to emphasize nonmarket resources, such as fish and wildlife, dispersed recreation, and wilderness, with market outputs at economically efficient and environmentally feasible levels.

d) Emphasis on Meeting Assigned Renewable Resource Program Outputs Alternative -- The purpose of this alternative is to determine how best to implement the most current RPA Program as distributed to the Forest through the regional guide. The assigned program is not to be a constraint in the consideration of other alternatives or in selection of the preferred alternative.

e) Wilderness Emphasis with Capital Investment Emphasis on Remaining Lands Alternative -- The purpose of this alternative is to emphasize wilderness and evaluate the potential for maintaining or increasing market outputs on the nonwilderness portions of the forest through intensified management. The following specifications are to be used for this alternative:

1) This alternative is not necessarily the maximum wilderness alternative. However, be sure that it has a fairly substantial amount of quality roadless acres recommended for wilderness.

2) Assure intensive management of nonwilderness lands in this alternative to maintain or increase commodity outputs as compared to the current. If this level of output is not feasible, come as close as possible to the current. Accomplish intensive management in an economically efficient manner.

f) Other Alternatives -- are to be developed to describe a complete range of reasonable choices available to the decisionmaker. Be sure that there are no substantial gaps or voids between the upper and lower limits established through benchmark analysis.

D. Estimating the Effects of Implementing the Alternatives -- 36 CFR 219.12(g)

A fundamental step in evaluating any management activity is the estimation of effects; specifically, the physical, biological, economic and social effects of implementing a particular management action. The estimation of effects provides the decision maker and the public a basis for comparing alternatives and a means for making an informed choice as to which alternative is preferred. ~~As~~ such, it is an important part of the planning process.

Both NFMA (36 CFR 219.12(g)) and NEPA (40 CFR 1502.14 and 1502.16) require that the effects of implementing each Forest Plan alternative be estimated and compared as part of the planning process. To a large extent, the issues, concerns and opportunities which drive Forest Plan alternative development also shape the identification of effects to be estimated. There are, however, a core set of effects displays which are required under national direction. The following outlines these mandatory tabular reporting requirements and describes various display formats that should be used in presenting categories of effects. In some instances, tables, bar graphs and pie charts will offer the most succinct display format for contrasting alternatives or highlighting particular resource relationships. In other cases, the effects are more appropriately described in a more detailed narrative fashion. Regardless of the display format, it is important for the forest plan IDT to have a clear understanding of the effects which are to be estimated, as they influence the scope of the analysis needed and the associated information requirements.

A variety of sources were used in developing the effects list, including NFMA and NEPA implementing regulations, WO procedural direction and guidelines, Forest Service Manual and Handbook direction, recently released Forest Plans and EISs, and the Interim IDT's initial draft of Tongass National Forest issues, concerns and opportunities. Refer to Appendix C (Forest Plan Content) and Appendix D (Updated Checklist for Forest Plan EIS's). A large portion of both documents is devoted to a discussion of effects estimation and associated display requirements.

Effects are divided into three broad categories. These include: economic effects; physical and biological effects; and social effects. These effects, in turn, reflect how well an alternative responds to Forest issues. A fourth section discusses the effects display relative to these issues.

For each category, a brief description is provided of the overall intent of the effects display and how it relates to Forest Plan and EIS report content. Individual effect measures are listed, and a recommended display format is described. It is important to note that these displays are considered as minimums. Other displays, unique to the Tongass, will probably be developed during the planning process.

1. Economic Effects

While no single decision criterion is used exclusively in forest plan development, economic considerations are given considerable weight in the evaluation process. Under NFMA regulations, the Forest Service is to develop management plans which ". . . provide for multiple use and sustained yield of goods and services from the National Forest System in a way that maximizes long term net public benefits in an environmentally sound manner." (36 CFR 219.1) Thus, it is not surprising that economic effects represent a major portion of the effects evaluation in the Forest Plan EIS document.

A variety of measures are used in estimating the economic effects of a plan alternative. At a minimum these include the following:

- Present net value
- Total discounted costs
- Discounted costs by major input category
- Total discounted benefits
- Discounted benefits by major resource group
- Major non-priced benefits
- Budget requirements
- Net cash flow
- Returns to the U.S. Treasury
- Returns to local government
- Employment changes
- Income changes

Economic effects are estimated for each alternative considered in detail and for comparing alternatives. The timing of these effects is also important. Thus economic effects must be presented for the first five decades of the planning horizon. This is sufficient to reflect the long-term economic implications of each alternative and is consistent with RPA program reporting periods (decade 1 and 5). The following table outlines a suggested display format for contrasting major economic effects between alternatives:

Economic Effects by Alternative

Economic Measure	Alternatives A	B	C	etc.
Total Benefits [1] (mm$)				
Decade 1				
2				
3				
4				
5				
Total Returns to US Treasury [2] (mm$)				
Decade 1				
2				
3				
4				
5				
Non-cash Benefits [3] (mm$)				
Decade 1				
2				
3				
4				
5				
Returns to Local Government (mm$)				
Decade 1				
2				
3				
4				
5				

[1] Includes outputs with market and assigned values.

[2] Total returns to U.S. Treasury are dollar receipts collected by the federal government for stumpage, recreation fees, special use permits and other payments by consumers of forest outputs.

[3] Non-cash Benefits = Total Benefits - Total Returns to U.S. Treasury; also termed consumer benefits.

Total Costs [4] (mm$)	
Decade	1
	2
	3
	4
	5
Net Cash Flow [5] (mm$)	
Decade	1
	2
	3
	4
	5
Operating & Maintenance Costs (mm$)	
Decade	1
	2
	3
	4
	5
Capital Imp. Cost (mm$)	
Decade	1
	2
	3
	4
	5
Purchaser Road Credit (mm$)	
Decade	1
	2
	3
	4
	5
Recreation Const. (mm$)	
Decade	1
	2
	3
	4
	5
Appropriated Roads (mm$)	
Decade	1
	2
	3
	4
	5
Change in Income from Current Direction -- 1st decade (mm$)	
Change in Employment from Current Direction -- 1st decade (jobs)	

[4] Costs include only those of the Forest Service and exclude payments to counties and expenditures by cooperators.

[5] Net Cash Flow = Total Returns to U.S. Treasury - Total Costs; also termed net receipts.

By law and/or regulation, all forest plan alternatives must meet certain MMRs (refer to Section III.B.4. above). These include such requirements as the protection of riparian habitat and sensitive soils, the maintenance of viable populations of fish and wildlife, harvest unit size limitations and dispersion, among others. The economic effects of these constraints must be evaluated through an incremental analysis. This is also required of the timber policy constraints, minimum implementation constraints, and forest constraints employed during FORPLAN analysis. By evaluating each requirement and calculating the resulting PNV, an estimate can be made of the marginal cost of that requirement or constraint. Refer to Appendix A (Standards for Analysis) for a more detailed description of incremental analysis. When all the MMRs have been imposed as well as any implementation constraints necessary to ensure that the resulting solution is feasible, a maximum PNV "benchmark" is developed. This benchmark is used as the comparative base when analyzing the alternatives. The following table is an example of how results from this incremental or marginal cost analysis are displayed in the EIS.

Marginal Cost 1/ Analysis of Constraints

	Present Net Value		Dis. Costs		Dis. Benefits		Dis. Costs by Category					Dis. Benefits by Resources			
Constraints	PNV	Change	Costs	Change	Benefits	Change	Tim.	Rds	Rec	Wlf	Other	Tim.	Rec	Spec. Use	Other
Max. PNV w/o MMRs															
-LTSY															
-Dispersion															
-etc.															
-Balance due to overlap 2/															
Max. PNV w/MMRs															
-implementation constraints															
Max. PNV Benchmark															

1/ Direct comparisons of benefits and costs by individual resource categories provide broad indications of specific relationships, but they may be misleading because many costs are nonseparable under multiple use management. Thus comparisons of total discounted costs and benefits are more meaningful.

2/ Change in PNV that cannot be attributed to any single management requirement.

It is on the basis of this maximum PNV "benchmark" that all forest plan alternatives are compared. Specific economic comparisons include PNV, total discounted costs, total discounted benefits, costs and benefits by individual resource groups, and average annual cash flow and non-cash benefits. The following tables summarize display formats for these comparisons.

Present Net Value and Discounted Costs and Benefits of Alternative
(Million Dollars)

Alternative (Ranked in order of Decreasing PNV)	Present Net Value		Tot. Dis. Costs		Tot. Dis. Benefits	
	PNV	Change	Costs	Change	Benefits	Change
Max. PNV Benchmark						
Alternatives:						
-A						
-etc.						

Present Net Value and Discounted Benefits and Costs by Resource Groups 1/
(Million Dollars)

Alternative (Ranked in order of Decreasing PNV)	PNV	Dis. Costs by Category					Dis. Benefits by Resource			
		Tim.	WLF	Rec	Rds.	Other	Tim.	Rec	Spec. Use	Other
Max. PNV Benchmark										
Alternatives:										
-A										
-etc.										

1/ Direct comparisons of benefits and costs by individual resource categories provide broad indications of specific relationships, but they may be misleading because many costs are non-separable under multiple use management.

Average Annual Cash Flows and Noncash Benefits in the First and Fifth Decades by Alternative
(Million Dollars)

Alternative (Ranked in order of decreasing net cash flow -- decade 1)	DECADE 1				Decade 5			
	Net Cash Flow 1/	Total Costs 2/	Total Receipts 3/	Non-cash Benefits 4/	Net Cash Flow	Total Costs	Total Receipts	Non-cash Benefits
Alternatives:								
- A								
- etc.								

1/ Net Cash Flow = Total Receipts - Total Costs.

2/ Total Costs include only those of the Forest Service and exclude payments to counties and expenditures by cooperators.

3/ Total Receipts (returns to U.S. Treasury) are dollar receipts collected by the federal government for stumpage, recreation fees, special use permits and other payments by consumers of Forest outputs.

4/ Non-cash Benefits = Total Benefits - Total Receipts (benefits received without any cash payments).

As was mentioned above, more detailed narrative information will be developed to supplement these tables and to explain the factors contributing to the differences between/among the alternatives, and why these differences result. The relationship between cash receipts and total economic benefits should be defined. Any differences in the ranking of the alternatives by PNV versus net cash flow should also be explained.

Not all benefits can be reduced to a dollar measure; thus it is important that these "non-priced" benefits also be described and displayed. Typically these benefits are evaluated using quantitative indicators such as the number of acres being managed in a specific manner (emphasis), population levels, resource inventories, or output and activity levels. These benefits are then compared with priced outputs in evaluating and comparing alternatives. The listing of key non-priced benefits in the table presented below is by no means complete. Rather, it is intended to serve as an example of the kinds of non-priced benefit groupings which may be appropriate to analyze on the Tongass National Forest. Undoubtably, this list will undergo many changes as public issues are further refined.

Tradeoffs Between PNV and Key Non-Priced Benefits

Alternatives (Ranked in order of decreasing PNV)	Present Net Value		Key Non-Priced Benefits				
	PNV (mm$)	Change	Old Growth (m acres)	Wildlife Hab. (m acres)	Visual Qual. (Retention & Partial Retention) (m acres)	Wilderness, RNAs, Special Interest Areas, Wild & Scenic Rivers (m acres)	Subsistence Use Areas (m acres)
Max. PNV Benchmark		NA					
Alternatives:							
-A							
-etc.							

While the primary focus of both the Forest Plan and supporting EIS documents are those alternatives considered in detail, a short description of alternatives considered but later eliminated from study should also be included along with the rationale behind their elimination. The following table summarizes the economic effects display for those alternatives.

Alternatives Eliminated from Detailed Study

Alternative	PNV (mm $)	Total Discounted Benefits (mm $)	Total Discounted Costs (mm $)
- A			
- etc.			

2. Physical and Biological Effects

The physical and biological effects of implementing each alternative considered in detail must be estimated and compared according to NEPA procedures. NEPA procedures (40 CFR 1502.16) require that effects be estimated in terms of the:

- Direct, indirect and cumulative environmental consequences
- Adverse impacts which cannot be avoided
- Relationships between short-term uses and long-term productivity
- Irreversible (changes that cannot be reversed once implemented) and irretrievable (loss in production for a specific period of time) commitment of resources
- Possible conflicts with federal, regional, state and local land use plans
- Energy requirements and conservation potentials
- Means to mitigate adverse impacts

Effects are estimated in terms of resource outputs (goods, services, or on-site uses) and environmental effects (physical and biological effects not measured as outputs). Comparison of outputs and effects within and between alternatives should be made for the first five decades (i.e. RPA reporting periods). It is recommended that the following resource outputs and environmental effects be estimated and compared across alternatives. It is important to note that detailed narratives will be developed in addition to the tabular displays above. These detailed narratives will further describe the effects of implementing the different alternative. Note: the Forest Plan IDT will have to determine the appropriate geographic level for displaying these effects. Typically effects are reported forest-wide; however, the IDT may determine that the effects should also be summarized by Administrative Area or smaller area to facilitate implementation and monitoring and evaluation activities.

Direct, Indirect and Cumulative Effects

Resource Outputs and Environmental Effects (estimated by decade for the first five decades)	Units of Measure
A Recreation	
1. Cultural Resources	
a. Effects (by decade)	
1) Area requiring cultural resource inventory	acres
2) Cultural resources sites	
-Sites determined significant (by evaluation)	nominations
-Sites determined not significant and released, after evaluation, for land disturbing activities	released
-Sites determined significant (by evaluation) after mitigation of effects through excavation or other means	nominations
-Sites determined not significant and released after mitigation of effects through excavation or other means	released
2. Recreation	
a. Outputs (by decade)	
1) Total recreation use	RVD
- Developed recreation use	"
- Non-wilderness dispersed roaded	"
- Non-wilderness dispersed unroaded	"
- Wilderness use	"
2) Outputs produced through capital investments (campground const./reconst., trail const./reconst. etc.)	units
b. Effects (by decade)	
1) Total # of developed sites	units
2) # of const./reconst. projects	units
3) Total miles of trail	miles
4) Average annual trail const./reconst.	miles
5) Area by ROS category	acres
6) Proposed classification of Wild & Scenic Rivers	miles & acres
7) Area under each visual quality objective	acres
8) Area recommended for other special status	acres
C Wildlife & Fish	
1. Wildlife	
a. Outputs (by decade)	
1) Total use	consump/nonconsump
- big game	WUD
- small game	"
- waterfowl	"
- furbearer	"
- non-game	"
2) Outputs produced through capital investments in habitat improvement	# of animals or WUD
b. Effects (by decade)	
1) Habitat suitability for selected MIS	index or # of animals
2) Suitable acres available for MIS	acres

3) Acres of habitat improvement implemented	acres
4) Structural habitat improvements implemented	str.
5) Animal species diversity	index
6) Area by seral stage and plant community	% or acres
b) Diversity index (seral stage and plant community)	index
2. Fish	
a. Outputs (by decade)	
1) Total sport use	consump/nonconsump
- Anadromous fish	FUD
- Resident cold water fish	FUD
2) Total commercial use	mlbs.
3) Outputs produced through implementation of planned habitat improvement projects	mlbs. or FUD
b. Effects (by decade)	
1) Habitat suitability for selected MIS	index or # of fish
2) Acres of habitat improvement	acres
3) Suitable acres available for MIS	acres
4) Structural habitat improvement	str.
5) Fish species diversity	index
3. Subsistence	
a. Effects (by decade)	
1) Availability of subsistence resources	mlbs, WFUD, tons, mcf (other)
E Timber	
a. Outputs (by decade)	
1) Total timber to be offered	mcf/mbf
- Long-term contracts	"
- Short-term contracts	"
- Species	"
- Volume Class	"
b. Effects (by decade)	
1) Area suitable for harvest	acres
2) Area planned for reforestation	acres
3) Area planned for TSI	acres
F Watershed & Air	
a. Outputs (by decade)	
1) Consumptive water yield	m acre-feet
2) Sediment yield	m tons
b. Effects	
1) Watershed condition (cumulative effects)	index
2) Mass failure risk	index
G Minerals & Geology	
a. Outputs (by decade)	
1) Mineral materials sold	m tons
2) Mineral materials - free use	m tons
3) Mineral materials - in-service	m tons
4) Oil, gas and coal production	BBTU
5) Locatable minerals	m tons

b. Effects (by decade)	
1) Lands disturbed by mineral/energy development activities	acres
2) Land reclaimed following completion of mineral/energy activities	acres

J Lands

a. Outputs (by decade)	
1) Special use permits	# of permits
b. Effects	
1) Average annual landline survey	miles

L Facilities

1. Transportation	
a. Outputs (by decade)	
1) Total miles of roads	miles
-Arterial/collector roads	miles
-Timber purchaser roads	miles
-Appropriated roads	miles
2) Average annual road const./reconst.	miles
3) Total # of TTF sites	sites
4) Average # of TTF site to be const./reconst.	sites

P Protection

a. Effects of fire (by decade)	
1) Loss of resource outputs to fire	mcf,RVD,WFUD (other)
2) Acres disturbed by fire	acres

Q Insect & Disease

a. Effects of insect & disease (by decade)	
1) Loss of resource outputs to insects & disease	mcf
2) Acres disturbed by insect & disease	acres

It is important to note that for some resources, the outputs or environmental effects may not vary much by alternative. This may be due to the low sensitivity of these particular resources and/or the application of a common set of management standards and guidelines to all alternatives. For these resource groups, a separate discussion related to the application of standards and guidelines and future management is required. Also, resources are often not linear in their response to the number of acres affected by management. For example, the Forest Plan IDT may identify a particular level of effect on wildlife habitat given a thousand acres of timber harvest activity. However, the IDT may find that a doubling of the harvest activity has a three-fold increase in effects on wildlife habitat. In such instances, it will be necessary to conduct separate analyses (outside FORPLAN) to identify and more fully account for non-linear relationships.

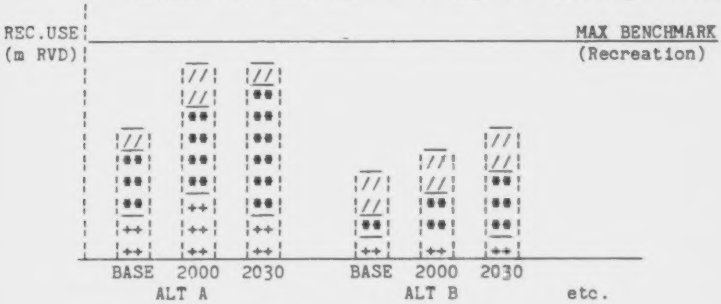
A variety of displays are available for comparing resource outputs and environmental consequences. The type of display selected will depend upon the issues identified and specific analytical results. Some basic displays and comparisons are required to show the effects of implementing the various alternatives considered in detail. The following table provides a suggested display format for summarizing the resource outputs and environmental effects associated with the benchmark and forest plan alternatives.

Outputs/Effects Category	Units of Measure	Benchmarks Max. PNV...etc.	Alternatives A	B	C	D...etc.
Decade 1						
2						
3						
4						
5						

-- etc. --

In some instances, specific resource inter-relationships between the alternatives and benchmarks should be highlighted. The following graph is an example of how these relationships can be illustrated.

Relationship of Recreation Outputs by Alternative to Maximize Recreation Benchmark (by RPA Reporting Periods)



|++++++| DEVEL REC.

|******| DISPERSED REC., NON-WILDERNESS

|//////| DISPERSED REC., WILDERNESS

Max. potential output as determined by Max. Benchmark run.

It is also necessary to highlight various timber resource variables by alternative including beginning and ending inventories, the decade that long-term sustained yield is reached, average annual net growth, and area of suitable timber land. While the lands considered tentatively suitable for timber harvest will remain constant, these other variables will vary by alternative, depending upon the objectives of the alternative and the associated management practices. The following tables provide examples of how this information should be displayed.

Timber Resource Management Information by Alternative

Alt.	Suitable Lands	Inventory Begin		End	1st Decade Avg. Annual ASQ			LTSY			Avg. Annual Net Growth		
	M acres	MMCF	Begin/Ac. CF	MMCF	MMCF	% Col.	MMCF	MMCF	% Col.	Decade Net	CF/Ac 1986	2030	MMCF 2030
Max PNV													
Alt. A													
etc.													

Timber Resource Management Information by Alternative

Altern.	Area and % of Suitable Land by Yield Level						1st Decade Harvest			
	Full Yield		50-90% Yield		Under 50% Yield		Clearcut	Shelter.	Select.	Total
	M Ac	% Col.	M Ac	% Col.	M Ac	% Col.	M Ac	M Ac	M Ac	M Ac
Max PNV										
Alt. A										
etc.										

Exiting Timber Management Plan

Potential Yield		Avg. Annual Volume Sold		Acres Used to Develop Potential Yield		
				Standard	Special	Marginal
mcf	mbf	mcf	mbf	M acres	M acres	M acres

Land Classification for Timber in Acres and by Alternative

	Alternatives considered in Detail						
	Alt. A			Alt. B			
Classification	CA	SA	KA	CA	SA	KA	etc.
1. Nonforest Land (includes water)							
2. Forest Land							
3. Withdrawn from Timber Production							
4. Not Capable of Prod. Industrial Wood							
5. Physically Unsuitable							
6. Inadequate Information							
7. Tentatively Suitable							
8. Not Appropriate for Timber Harvest							
9. Unsuitable							
10. Total Suitable							
11. Total N.F. Land							

The following table contrasts the timber suitability determinations associated with current direction and the preferred alternative, and is a required display in the Forest Plan.

Land Classification for Timber by Area, Preferred Alternative and Current Direction

Classification	Preferred Alternative CA	SA	KA	Current Direction CA	SA	KA
1. Nonforest Land (includes water)						
2. Forest Land						
3. Withdrawn from Timber Production						
4. Not Capable of Prod. Industrial Wood						
5. Physically Unsuitable						
6. Inadequate Information						
7. Tentatively Suitable						
8. Not Appropriate for Timber Harvest						
9. Unsuitable						
10. Total Suitable						
11. Total N.F. Land						

Once the effects of implementing the alternatives considered in detail have been identified, a determination must also be made of any adverse effects which cannot be avoided, the relationship between short-term uses and long-term productivity, and irreversible and irretrievable commitment of resources. A discussion of these effects is included in Chapter IV of the EIS, along with a discussion of the means to mitigate impacts and measures to conserve energy and nonrenewable resources.

3. Social Effects

Concerns about lifestyles are a major issue for many communities in Southeast Alaska; perhaps more than in any other region of the U.S. For example, subsistence uses of fish, wildlife and other forest resources play a major role in supplementing cash incomes and in perpetuating customs and traditions in many Alaskan villages and communities. ANILCA (Title 8) specifically requires that management activities on the Forest be evaluated to determine possible effects on subsistence use opportunities. Thus, while it is often difficult to express social effects in quantitative terms, it is essential that these types of effects be given adequate display and interpretation in the Forest Plan and the associated EIS. Primary among these are the effects of each alternative on the following:

-Levels of traditional subsistence resource uses
-Patterns of subsistence resource uses
-Opportunities for subsistence resource uses
-Population changes and characteristics
-Job and lifestyle dependence
-Social organization
-Attitudes, beliefs and values
-Land-use patterns
-Civil rights implications
-Regional and community economic development and structure

Emphasis should be placed on describing the direct, indirect and cumulative effects of forest plan alternatives upon the entire region (Southeast Alaska) and on dependent communities, in particular. Many social variables will need to be displayed in a narrative fashion due to the inherent difficulties associated with quantifying these effects. To facilitate comparisons between alternatives, major differences in these effects should be highlighted in a table.

4. Relationship to Forest Issues

A driving force in forest plan alternative development and selection of the preferred alternative is the issues surrounding management of the forest. In most instances the degree to which a forest plan alternative responds to or resolves a particular issue is reflected in the various physical, biological, economic and social effects associated with that alternative. Where these effects can be used to indicate how well an alternative resolves an issue, they should be highlighted in a table. Supplemental narrative explanation should also be provided. The following table lists the initial "indicators of issue resolution" identified in the Issue Statements (refer to Section II) and are subject to change following formal public scoping.

Issue	Indicator	Alt. A	Alt. B	etc.
1. Recreation Management	- Const./reconst. of trails (miles)			
	- Const./reconst. of campgrounds, rec. facilities (nos.)			
	- Recreation use - 1st decade (mRVDs within each ROS class) primitive (I & II) semiprim. nonmotorized semiprim. motorized roaded natural roaded modified rural urban			
	- Recreation demand satisfied (%) -- decades 1 and 5 primitive (I & II) semi-prim. nonmotorized semi-prim. motorized roaded natural roaded modified rural urban			
	- Distribution by ROS (m acres and location) -- decades 1 and 5			

	- Direct and indirect employment and income resulting from recreation uses -- decades 1 and 5
	- Monitoring & evaluation requirements
	- Establishment, distribution, location of VQOs (m acres)
	- User fees recommendations
2. Wilderness Management	- Wilderness areas (m acres)
	- Roadless management areas (m acres) -- decades 1 and 5
	- Area recommended for formal wilderness designation (m acres)
	- Monitoring & evaluation requirements
3. Management of Specially Designated Areas	- RNA and special management areas -- existing & proposed (m acres)
	- Monitoring & evaluation requirements
	- See also alternative descriptions in Chapter II & IV of EIS and standards and guidelines in proposed Forest Plan
4. Wildlife Habitat Management	- Short-term, long-term & cumulative effects on each MIS and/or other selected species
	- Acres scheduled for timber harvest by volume class (m acres)
	- Wildlife habitat improvement (m acres/structures)
	- Acres and location of old growth habitat and other seral stages being managed for wildlife (m acres)
	- Wildlife use (m WFUDs) -- 1st decade

	- Habitat suitability (index number for MIS)
	- Monitoring & evaluation requirements
5. Fish Habitat Management	- Short-term, long-term, and cumulative effects on each MIS and/or other selected species
	- Fisheries enhancement (m lbs/structures)
	- Fish use (m WFUDs) -- 1st decade
	- Habitat suitability (index number for MIS)
	- Monitoring & evaluation requirements
6. Subsistence Uses and Lifestyles	- Changes in land suitability to meet subsistence demands (m acres)
	- Standards and guidelines for managing subsistence use areas
	- Monitoring & evaluation requirements
7. Regional and Community Economic Development and Structure	- % changes in regional earnings (m $) & employment(jobs) by major economic sector -- 1st decade
	- Changes in population characteristics, and community and economic structure
	- Net cash flow (receipts) for all forest programs & activities (m $) -- decades 1 & 5
	- Non-cash benefits (m $) -- decades 1 & 5
	- Payments to local government (m $) -- 1st decade
	- Monitoring & evaluation requirements

	- Also see narrative on social effects of alternatives in Chapter II & IV of EIS and management standards and guidelines in proposed Forest Plan	
8. Timber Harvest Economics	- Net cash flow associated with timber program (mm $) -- decades 1 and 5	
	- First decade ASQ (mmcf) in relation to demand	
	- Acres scheduled by volume class (m acres)	
	- Tentatively suitable timberland eliminated for economic reasons (m acres)	
	- Suitable timberland base (m acres)	
	- LTSY (mmcf)	
	- Monitoring & evaluation requirements	
9. Coordinating Timber Management with Other Resources	- Arcres scheduled for timber harvest (m acres) -- decades 1 and 5	
	- Wildlife and fish habitat suitability (m acres)	
	- Watershed condition (indexed)	
	- Wildlife and fish use 1st decade (m WUDs and FUDs)	
	- Timber land suitability (acres associated with each step of the timber land suitability analysis) (m acres)	
	- Managed timber acres under each visual quality objective (m acres, %) -- decades 1 and 5	
	- Monitoring & evaluation requirements	
	- See also alternative descriptions in Chapter II & IV of EIS and standards and guidelines in proposed Forest Plan	

10. Long-Term/ Short-term Timber Sales Programs	- Timber offered under Long Term and Short Term contracts: total, by species and volume class 1st decade (mmcf)	
	- Net cash flow associated with long term and short term timber programs (mm$) decades 1 and 5	
	- Monitoring & evaluation requirements	
11. Minerals/ Energy Management	- 1st decade mineral development (m acres)	
	- 1st decade energy development -- average annual yield (mm BTUs)	
	- Monitoring & evaluation requirements	
12. Coordination with Other Land Owners	- See alternative descriptions in Chapter II & IV of EIS and standard & guidelines in proposed Forest Plan	
	- Monitoring & evaluation requirements	
13. Transportation Systems and Road Management	- Timber purchaser road const./reconst. (miles)	
	- Arterial & collector road const./reconst. (miles)	
	- TTF (nos.)	
	- Unroaded acres assigned to roaded mgmt. (m acres) -- decades 1 and 5	
	- Monitoring & evaluation requirements	
	- See also alternative descriptions in Chapter II & IV of EIS and standards and guidelines in proposed Forest Plan	

Information from this table is also used to construct an additional table summarizing how each alternative responds to major national issues and concerns. These major national issue are drawn from Section II. Issues Statements. For some issues, a standardized means of measuring effects exists (e.g. MMBF). For others, the Forest Plan IDT will need to develop a means of measuring and displaying effects. The following table format is to be used:

Indicators Of Responsiveness of Alternatives to Major Issues and National Concerns

(Example extracted from FSH 1909.12--4.13 Exhibit 4)

		Timber Issues					Water Issue		Wilderness & Roadless		Fisheries & Wildlife Issues	
ALTERNATIVES	PNV $ Million	Decades 1/5 Average per Year Net Receipts $ Million	Decades 1/5 Average per Year Noncash Benefits $ Million	First Decade Harvest Average/Annual MMBF	LTSY	Suitable Timber Lands # ACRES	Smolt Production by Decade 1st Index1/	Smolt Production by Decade 3rd Index1/	Wilderness # Acres	Roadless Management # Acres	Catchable Trout Decade 1st/5th Index 1/	Summer Elk by Decade 1st/3rd Index 1/
2	2,417	30/161	7/15	303	616	1,769	100	114	0	17	94/102	94/83
4	2,333	14/163	7/16	296	624	1,786	98	114	69	0	95/105	95/84
8	2,163	17/160	7/15	253	552	1,594	100	117	131	90	100/111	100/92
1	2,140	21/137	8/10	256	504	1,501	99	116	153	131	99/109	105/93
6	2,041	19/134	8/14	240	495	1,453	100	116	374	0	99/110	107/94
5	1,962	11/140	8/10	283	541	1,552	101	116	146	220	100/110	104/99
10	1,909	9/137	8/10	230	504	1,415	101	117	640	0	101/110	104/99
12	1,831	10/131	8/10	190	424	1,522	100	120	142	100	100/112	106/104
11	1,799	17/122	8/10	192	424	1,522	101	120	142	100	100/112	100/104
7	1,515	1/116	8/19	189	453	1,926	101	119	252	283	100/112	107/106
9	1,460	-1/110	8/19	182	423	1,230	100	120	390	200	100/112	108/108
3	1,320	-4/98	8/10	164	385	1,107	101	120	53	15	100/112	109/109

	Community Effects Issue			Recreational Issue				
		Percent Change Jobs and Income 1st Decade		Demand Satisfied - 5th Decade			% VQ Management of Managed Tim. Acres	
ALTERNATIVES	Payments To County Increase 1st Decade $ MM	Jobs %	Income %	Developed %	Semi-Primitive Non-Motor %	Semi-Primitive Motor %	Retention %	Partial Retention %
2	17.6	0	9	75	35	0	5	1
4	12.7	6	6	75	85	10	5	1
8	11.9	1	1	48	105	31	2	7
1	14.1	4	4	101	105	30	4	1
6	13.3	3	3	48	309	0	3	1
5	10.1	0	-1	75	134	79	20	69
10	9.0	-2	-2	101	398	0	9	45
12	11.0	0	0	90	109	72	19	65
11	11.0	0	0	90	109	72	19	65
7	8.3	-1	-2	101	199	86	23	85
9	7.3	-2	-3	101	309	55	21	84
3	6.2	-4	-5	101	464	3	17	74

1/ Index 100 equals first decade annual production under continuation of current program, Alternative 8 which is 1,467,000 smolt, 932,000 catchable trout and 13,300 Summer elk.

E. Evaluation of the Alternatives -- 36 CFR 219.12(h)

Evaluation of forest plan alternatives leads to the Forest Supervisors' recommendation of a preferred alternative to be displayed in the draft EIS and proposed Forest Plan. The following is considered predecisional, deliberative information (FSM 6270) and is not to be displayed until the Record of Decision is prepared (FSH 1909.12--3.7):

a) The process used to evaluate the alternatives and to arrive at the recommended preferred alternative.

b) The physical, biological, social, and economic criteria used to evaluate the alternatives.

c) The results of the evaluation.

Note: the Regional Forester's rationale for selecting an alternative for implementation will be formally documented in the Record of Decision.

Once the draft EIS/Forest Plan have been approved for publication, the Senate Appropriations Subcommittee has requested that the Forest Service supply specific data about the preferred alternative. This is to be done by submitting a data file via the Data General containing the six tables described below as Exhibit 1. These mandatory tables are intended to display the outputs and classifications associated with the preferred alternative. Include within this file, a brief narrative explaining the significant differences when compared to current direction. Nonpriced outputs and benefits are to be given the same emphasis as priced outputs and benefits. The narrative will include the following.

a) Comparison of Economic Differences
b) Outputs with Significant Changes
c) Outputs with Minor Change

The DG file is to be mailed to the Land Management Planning Staff in the WO (LMP:W01C) who will, in turn, distribute the data to the Senate Appropriations Subcommittee.

EXHIBIT 1

Note: During the first round of planning, these were fixed reporting categories. The Forest Plan IDT will determine if it is possible to amend categories to make them more Tongass specific (e.g. moose instead of elk).

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                                                                  DG SCREEN 1 OF 6

(Keys)                  FOREST PLAN STATUS DATA

Region: 99    Forest:  99                (2) Alternative Status      :  XX
  Alternative:  XXX                      (2) Revision Date (MM/DD/YY):  99/99/99
(3) Forest Name:  XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
----------------------------------------------------------------------------------
   Outputs and           Current Avg FY      A C T U A L       Proposed Plan Avg.
   Activities      UOM   Action  79-84   1982   1983   1984   Dec 1  Dec 2  Dec 3
---------------- -----   ------  ------ ------ ------ ------ ------ ------ ------
RECREATION
 4. Dev Rec Use   MRVD   ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
 5. Disp Rec Use  MRVD   ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
 6. Dev Capacity  PAOT   ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9

WILDERNESS
 7. Wilderness    MRVD   ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9

WILDLIFE and FISH
 8. Elk          # Elk   ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
 9. Cold Wat Fish MFish  ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9

RANGE
10. Lvst Graz Use MAUM   ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
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                                                                  DG SCREEN 2 OF 6

TIMBER
1. Sales Offered  MMBF   ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
2. Sales Offered  MMCF   ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
3. LTSY           MMBF   ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
4. LTSY           MMCF   ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
5. Reforestation  Acres  ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
6. TSI            Acres  ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9

WATER
7. Water Yield  M Ac-Ft  ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
8. Watershed Imp  M Ac   ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9

MINERALS
9. Operation     No. of  ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
   Plans         Plans
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                                                                DG SCREEN 3 OF 6

SUPPORT
  Road Const/Reconst:
1.   Tbr Purchaser Miles  ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
2.   Appropriated  Miles  ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9

3. Trail Con/Recon Miles  ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9

COSTS (Annual - Thousand $)
 4. Oper & Maint          ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
 5. Capital Invest        ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
 6. Purchaser Credit      ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
 7. Other Costs           ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
 8. Total Costs           ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
 9. Total Costs (Real $)  ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
10. Budget to Impl.       ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
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                                                                DG SCREEN 4 OF 6

BENEFITS  (THOUSAND $)

1. Total Benefits         ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
   (Annual - Incl Revenues)

2. Return to U.S. Govt.   ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9 ZZZZZ9
   (Annual)

3. Total Present Value    ZZZZZ9                             ZZZZZ9
   Benefits (4%)  MM$

4. Present Value          ZZZZZ9                             ZZZZZ9
   Costs (4%)  MM$

5. Present Net            ZZZZZ9                             ZZZZZ9
   Value (4%)  MM$
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DG SCREEN 5 OF 6

	TIMBER PROGRAM Classification	Alternative Land Mgmt Plan	Previous TM Plan
1.	Non-Forest Land (including water)	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
2.	Forest Land	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
3.	Withdrawn from Timber Production	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
4.	Not Capable of Industrial Wood	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
5.	Physically Unsuitable	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
6.	Inadequate Information	ZZZ,ZZZ,ZZ9	Included in #4
7.	Tentatively Suitable	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
8.	Not Appropriate for Timber	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
9.	Unsuitable	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
10.	Total Suitable	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
11.	Total NF Land	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
12.	Total Suitable Land in Roadless Inventory	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
13.	Total Suitable Land in Roadless Inventory Needed for First Decade Timber Sales	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9

DG SCREEN 6 OF 6

	RANGE PROGRAM Classification	Base 1980	Alternative: Decade 1 & 2
1.	Net Suitable Acres Open to Grazing	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
2.	Net Suitable Acres Closed to Grazing	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
3.	Net Suitable Acres Actually Grazed	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9

MINERALS PROGRAM

		POTENTIAL		Not
	Classification	Mod-High	Low	Available
4.	Locatable Minerals	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
5.	Oil and Gas	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9
6.	Other Mineral/Energy Commodities	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9	ZZZ,ZZZ,ZZ9

F. Implementation of the Forest Plan

This section of the Work Plan is largely paraphrased from the FSH 1909.12--5 (draft) and describes the procedural direction for implementing the Forest Plan through selecting and scheduling projects and activities that meet the management direction established in the Forest Plan. The discussion to follow describes a process for determining the consistency of activities (whether Forest Service or Non-Forest Service proposals), with the Forest Plan, and for amending the Forest Plan when change is necessary. For overall direction, refer to FSM 1922.5 for Forest Plan Implementation and to FSM 1922.33 for Forest Plan Amendment.

1. Forest Plan Implementation

Forest plan implementation is the process of translating management prescriptions into on-the-ground results in order to achieve stated goals and objectives in the Forest Plan. It is accomplished through project scheduling, analysis, budget development, execution, and administration. Implementation involves projects and activities determined to be consistent with the Forest Plan. If projects and activities proposed either within the Forest Service or from outside are not consistent with the plan and the decision is made to implement them, the proposals must either be modified to be consistent with the plan or, the plan must be changed to accomodate the specific proposals. Analysis of projects and activities is tiered to the Forest Plan FEIS and Record of Decision. Additional environmental analysis to meet the requirements of 40 CFR Parts 1500-1508, FSM 1950, and FSH 1909.15 and to address site-specific environmental issues is necessary.

NFMA and NEPA Compliance - Both the National Forest Management Act and the National Environmental Policy Act impose the following specific requirements for implementation of the Forest Plan.

a) NFMA requires consistency of proposed projects with the Forest Plan or the plan must be amended to accomodate the project. Section 6(i) of the law (16 U.S.C. Section 1604(i)) requires findings of consistency be made when projects are proposed for scheduling if specific findings have not already been made in the Forest Plan or record of decision.

b) NEPA requires environmental analysis of a project or activity be fully evaluated prior to the irretrievable and/or irrevocable commitment of resources. This analysis requires a range of alternatives be considered, even if they are inconsistent with the approved Forest Plan.

2. Implementation Scheduling

Implementation Scheduling is the process of identifying, analyzing, and selecting projects and/or activities to implement the Forest Plan. Project scheduling and the development of an implementation schedule is to be on an annual basis. Keep the public fully informed and involved by utilizing public involvement procedures found in 36 CFR Part 219, 40 CFR 1500-1508, and FSM 1950.

Area Analysis involves a level of analysis between that of the Forest Plan and individual projects. The Forest Supervisor shall determine the scope and geographic area of additional analysis applicable to identifying projects to meet Forest Plan direction. Consider the following steps in identifying the need for additional analysis:

a) Determine the decisions to be made in any given geographic area for the plan period.

b) Use the NEPA scoping process to determine significant issues, concerns, and other information about the area and the projects.

c) Determine the extent of the geographic area subject to analysis that is based on identified issues and concerns and the decisions needed.

d) Review data and information used in development of the Forest Plan and determine if additional data are necessary.

e) Develop optional ways to make necessary decisions based on the data available.

f) Determine appropriate NEPA disclosure by tiering to the EIS accompanying the Forest Plan.

The area analysis process is not development of another "plan". It is an assimilation of current issues and site-specific data to produce additional information for project planning. Area analysis assists in determining costs, schedules, and cumulative effects of related projects and activities. Accordingly, use an interdisciplinary team to perform additional analysis. The analysis may cover either a single project or multiple projects within a given area.

Project Proposal is the process where projects necessary to implement the Forest Plan are proposed, based on the analysis conducted for specific areas of the forest. The next phase of implementation scheduling is to ensure that projects and activities scheduled for implementation meet applicable laws and regulations and are consistent with the Forest Plan.

3. Consistency Determination

It is necessary to evaluate projects and activities, whether Forest Service or non-Forest Service proposals, against various factors, before making a decision to proceed with the project or activity. In addition to the factors described in the Forest Plan, consider applicable laws, regulations, other Federal, State, and local agency policy and direction before making a decision. If a proposal does not comply with, and cannot be modified to comply with these factors, it is usual to eliminate the proposal from further consideration.

Review of Proposal - Recognize that proposals for projects and activities on National Forest System lands covered by a final Forest Plan will continue to be initiated, both internally and externally. A proposal is any project or activity for which no final decision was made as part of the Forest Plan Record of Decision. There are two basic questions the Forest Officer must ask upon receipt or review of a project proposal. The first is what does the Forest Plan allow? (This is a question of NFMA compliance.) The second question is was the activity covered for NEPA purposes in the Forest Plan Final EIS? (This is a question of NEPA compliance.) Management under the Forest Plan makes project-level decisionmaking more structured, but it does not remove Forest Service authority and responsibility to exercise discretion and make judgments within the laws, regulations, and manual provisions that apply to the activity under consideration. These judgments and a brief explanation of their basis must be documented.

National Forest Management Act Compliance - The NFMA requires projects to be consistent with Forest Plan management direction. Consistency, however, does not require a finding that the particular project has been specifically identified in the plan direction (forest-wide and management area). For example, a special use proposal may be consistent with standards and guidelines that allow development activities even though the possibility of the particular special use was not considered in the Forest Plan. The flexibility afforded by the amendment process allows the Forest Service to consider inconsistent proposals at any time. This flexibility should not use inconsistency with the Forest Plan as a basis for refusing to consider a proposal. Inconsistent proposals may be denied, even in a fairly summary fashion. Denials should indicate that the Forest Service considered and rejected the proposal rather than stating that the Forest Service is precluded from reviewing the proposal because it is not consistent with the Forest Plan. Inconsistency and unwillingness to amend may be used as part of the basis for denial but denials should primarily be made based on legal authority for the denial.

The Forest Officer must make a number of determinations concerning each proposed project and activity to meet the requirements of the NFMA, including public involvement. Because many projects will be appealed or otherwise challenged, document the determination of consistency in the form of findings. These findings can be made a part of the analysis and decision notice prepared for each proposal. The findings, with written rationale, should be developed with the goal of withstanding judicial review under the "arbitrary, capricious, or abuse of law" standard.

National Forest Management Act Findings - NFMA and its implementing regulations (36 CFR, Part 219) require specific findings be made when implementing the Forest Plan. The major findings to be made and documented are as follows.

a) Consistency - All resource plans and permits, contracts, and other instruments for the use and occupancy of National Forest System lands are to be consistent with the Forest Plan (16 U.S.C. 1604(i)). The plan guides all natural resource management activities (36 CFR 219.1(b)). All administrative activities affecting the Forest must be based on the Forest Plan (36 CFR 219.10(e)). Thus, all projects and activities must be consistent with the Forest Plan.

   In order to assure the public that all actions are consistent with the Forest Plan, a finding of consistency must be a part of each decision notice or record of decision. The finding must indicate consistency with the general management requirements of the plan (36 CFR 219.27), as well as indicating consistency with the specific standards and guidelines for the management area. This finding need not be lengthy or detailed, but should briefly state why the proposed action is consistent with the particular management area direction and associated standards and guidelines. The finding should include references to the pages in the Forest Plan reviewed in making the consistency determination. This finding is an appealable decision (36 CFR 211.18).

b) Suitability - No timber harvesting, other than salvage sales or sales to protect other multiple-use values, shall occur on lands not suited for timber production (16 U.S.C. 1604(k) and 36 CFR 219.27(c)(1)). Therefore, when a project or activity involves timber harvesting, for whatever purpose, a determination of whether the land involved is suitable for timber production must be made. If the land is determined to be suitable, a finding to that effect should be included in the decision notice. This finding is in addition to the finding of consistency discussed above. Where land is determined not to be suited and timber harvesting is proposed, a finding that the harvesting is either a salvage sale or a sale "necessitated to protect other multiple-use values" is required (16 U.S.C. 1604(k)). When the timber harvesting is to protect other multiple-use values, the finding should reference the management area prescription, specific standards and guidelines, or multiple-use protection that make the harvesting necessary.

c) Clearcutting and Even-aged Management - When timber is to be harvested using an even-aged management system, a determination that the system is appropriate to meet the objectives and requirements of the Forest Plan must be made on each advertised sale (16 U.S.C. 1604(g)(3)(F)(i) and (ii)). In addition, where clearcutting is to be used, it must be determined to be the optimum method. As with other required findings, these need not be lengthy or overly detailed. Reference should be made to the discussions of even-aged management contained in the Forest Plan or accompanying EIS.

d) Vegetation Management - All proposals to alter vegetation must comply with the standards found at 36 CFR 219.27(b) (36 CFR 219.15). Therefore, all vegetation management proposals must include a finding that the proposal complies with the seven (7) requirements listed at 36 CFR 219.27(b).

Change to Forest Plan Not Required - Do not prepare an amendment to the Forest Plan when the proposed project or activity is consistent with and/or can be accommodated within the prescriptions and the standards and guidelines of the Forest Plan. The Forest Plan need not be explicit about a proposal or activity.

If a proposal is consistent and is to be permitted, document the finding of consistency as a part of the environmental analysis for the project and/or activity. Meet all other applicable consistency requirements and document the findings as described above. The environmental analysis may result in a categorical exclusion from documentation, may require documentation in an environmental assessment, or may even require preparation of an EIS if the FEIS for the Forest Plan does not adequately document analysis of the effects of the project. The process concludes with the appropriate documentation of the decision by the responsible official and implementation of the project or activity or granting of a special use authorization. Include the determination of consistency with the Forest Plan in the project decision notice or record of decision.

If it is possible to modify the proposal to make it consistent with the Forest Plan, and if such a modification is undertaken, then treat the proposal as being consistent with the Forest Plan. The following displays the process for determining consistency with the Forest Plan and other factors.

PROCESS FOR DETERMINING THE NEED TO CHANGE FOREST PLAN

```
               PROPOSAL INITIATED BY:
                    Evaluation of Monitoring Results
                    Forest Service Project or Activity
                    Special-Use Application or Other
                    Non-Forest Service Proposal
                                    |
                                    V
                    CHECK PROPOSAL AGAINST:
                         Forest Plan and Other Relevant Factors such as Laws,
                         Regulations, and Policies
                                    |
                ____________________V______________________
                |                                          |
                V                                          V
   CONSISTENT WITH FOREST PLAN             NOT CONSISTENT WITH FOREST PLAN
        No Change Required                      Change Proposal to be
     Document Findings as an <-------------- Consistent with Forest Plan
    Integral Part of Decision                     or Change Forest Plan
                |                                          |
                |                                          |
                |                                          V
                |                         Make Initial Determination of the
                |                         Significance of Change.  Verify with
                |                         Project Environmental Analysis or
                |                                 Forest Plan FEIS
                |                                          |
                |                            ______________V__________
                |                            |                       |
                |                            V                       V
                |                     NONSIGNIFICANT           SIGNIFICANT
                |                            |                       |
                |                            V                       V
                |                     Notify Public of         Prepare Forest
                |                   Intention to Amend         Plan Amendment
                |                       Forest Plan          (36 CFR 219.12(a))
                |                            |                 Focus on Issues
                |                            |                 That Triggered
                |                            |                 Need for Change
  NFMA          |                            |                       |
==============  |  ========================  |  ==================== | =========
  NEPA          V                            V                       |
          Meet NEPA              Conduct Environmental       Include Project
       Requirements for             Analysis of the       Environmental Analysis
       Project Analysis             of the Project       in Forest Plan Amendment
               |                            |                       |
               V                            V                       V
       DOCUMENT FINDINGS            DOCUMENT DECISION         DOCUMENT DECISION
       AND DECISION TO              TO AMEND PLAN AND         TO AMEND PLAN AND
       IMPLEMENT PROJECT            IMPLEMENT PROJECT         IMPLEMENT PROJECT
```

4. Forest Plan Amendment

All changes, additions, deviations, or corrections made to the Forest Plan require documentation and proper public notification. Generally, amendments are to be made as the need occurs rather than by accumulating all necessary changes and dealing with them annually. The display above indicates the usual process for evaluating the need to change the Forest Plan. Since changing a Forest Plan involves compliance with both the NFMA and NEPA, complete understanding of both processes is essential (refer to 40 CFR 1500-1508, FSM 1950, and FSH 1909.15). NFMA and NEPA actions can be diagrammed as separate activities as shown above. However, the processes may be done concurrently, utilizing one decision document to comply with all requirements. (The order and timing of events depicted is not precise.) Use discretion when determining consistency with the Forest Plan and the need for change.

Change to Forest Plan Required - The following actions are to be taken when a proposal is not consistent with the Forest Plan and the proposal is to be considered further for implementation.

a) Prepare a proposed amendment to a Forest Plan when a proposed project or activity is found to be inconsistent with management area designation, management prescriptions, standards and guidelines, implementation schedules, or other direction specified in the Forest Plan.

b) Make a determination of the degree of significance of the change to the plan under 16 U.S.C. 1604(f)(4), 36 CFR 219.10(f), and FSM 1922.33. It is important to distinguish between determining the significance of the change to the Forest Plan and determining significance of the environmental impacts of the proposed project as defined by Council on Environmental Quality regulations found at 40 CFR 1500 to 1508. In order for a change to the Forest Plan to be significant, the proposed amendment must have an important effect on the entire Forest Plan and/or must significantly affect land and resources throughout a large portion of the planning area. Whenever an amendment is under consideration, make and subsequently verify an initial determination of its significance. Include the final determination in the decision document for the amendment.

c) The following factors supplement direction contained in FSM 1922.33. For most projects, these are the factors to consider when determining whether a proposed change to the Forest Plan is significant or nonsignificant. Other factors may also be considered, depending on the circumstances.

   1) Timing - Identify the time period in which the change is to take place. Determine whether the change is to occur during or after the plan period (the first decade) or whether the impact of the change is going to be realized after the next scheduled revision of the plan. In most cases, the later the change occurs, the less likely it is to be significant for the current plan.

   2) Location - Determine what part of the planning area and how many acres are are involved in the change. Identify other areas of land with similar characteristics that may be involved. Define the relationship of the affected area to the overall planning area. In most cases, the smaller the area affected, the less likely the change is to be significant.

3) Goals, Objectives, and Outputs - Determine whether the change alters long-term relationships between the levels of goods and services projected by the Forest Plan. Consider whether an increase in one type of output would trigger an increase or decrease in another. Determine whether there is a demand for goods or services not discussed in the Forest Plan. In most cases, changes in outputs are not likely to be significant unless the change would forego the opportunity to achieve the output in later years.

4) Management Prescription - Determine whether the change in a management prescription is only for a specific situation or whether it applies to all future decisions. Determine whether or not the change alters the long-term strategy for management of the land and resources. Generally, the more lasting, irretrievable, or irreversible the change, the more likely it is to be significant.

Nonsignificant Change to the Forest Plan - If the proposed change is determined not to be a significant change to the Forest Plan, notify all parties who received a copy of the FEIS, the Forest Plan, and the Record of Decision of the decision to amend the Forest Plan. Document the decision to amend the Forest Plan, including a determination that the change is not significant, and publish a notice of the decision to amend the Forest Plan in local newspapers.
The determination of significant change to the Forest Plan and significance of the environmental impacts of the proposal results in two separate findings. For example, any number of ground disturbing activities, such as oil and gas development, road construction, timber harvesting, or mining could present situations where the site-specific impact might be significant enough from a NEPA standpoint to warrant an EIS, but not a significant change to the Forest Plan. In other words, allowing the activity does not significantly change the long-term goals and objectives or the management direction for a large portion of the planning area.

If the environmental consequences of the activity are going to have a significant impact on the quality of the human environment and the FEIS for the Forest Plan does not adequately document analysis of the effects, prepare an EIS for the activity. The following examples may be helpful in distinguishing significance of Forest Plan amendment from NEPA significance.

a) A proposal to control forest pests with the use of chemicals is inconsistent with the Forest Plan. It could necessitate an EIS because, even though the activities may not require a significant change in the Forest Plan, they do meet the NEPA test of significance.

b) A site-specific review shows that it is necessary to adjust management area boundaries and that certain acres are included inappropriately in a timber harvest prescription. In this case, an amendment changing management area boundaries and the prescription is necessary. However, the amendment is not significant because it does not change the entire plan or affect a large portion of the area covered by the Forest Plan. Conduct environmental analysis to determine the level of documentation necessary to meet NEPA.

c) To receive approval, a special-use application requires a change in the management prescription assigned to an area or a change in a requirement of the prescription. In this case, the site-specific impact of the proposal is "significant" for NEPA purposes under 40 CFR 1508.27, but the change to the Forest Plan is not significant.

In cases of nonsignificant amendment of the Forest Plan, the Forest Supervisor documents the decision in the appropriate document and at the same time, if the activity is approved, amends the Forest Plan and implements the project or activity. Once the amendment is approved, permanently attach a copy of the amendment to all reference copies (36 CFR 219.6(i)(3)) of the Forest Plan.

Significant Change to the Forest Plan - If the change in the Forest Plan is determined to be significant, preparation of an EIS is mandatory (16 U.S.C. 1604(f)(4), 36 CFR 219.10(f), and 36 CFR 219.12). The statement may be new or it may be possible to supplement the FEIS accompanying the Forest Plan. Follow direction in 36 CFR 219 to process significant amendments but concentrate on those issues affected by the change proposed. The EIS accompanying a proposed significant amendment to a Forest Plan also provides an environmental analysis of the proposed project or activity that has generated the need for change.

Prepare a record of decision that accompanies the FEIS and addresses both the project and the change to be made to the Forest Plan. When the Regional Forester has signed the Record of Decision, the Forest Plan is amended and the project or activity may be implemented.

5. Budget Development

The approved implementation schedule with projects and activities selected for accomplishment within a given year becomes the basis for budget development. Policy contained in FSM 1930.3 requires that budget proposals be consistent with long-range direction provided by, among others, the forest land and resource management plan. Follow procedures established in FSH 1909.13, The Program Development and Budgeting Handbook, for budget development.

6. Project Design

Project design is a process for developing detailed project plans, specifications, instructions, and cost estimates. Project design may require additional field work and a site-specific environmental analysis prior to approval.

Field Work - Additional field work may be required as a part of project design. Consider the following in designing the project or activity.

a) Verify and/or improve data originally used in the planning process.

b) Develop project designs that meet forest-wide standards and guidelines and specific management prescriptions for the involved management area(s)

c) Secure resource integration and multiple-resource benefits when and where possible.

d) Provide for mitigation to reduce potential environmental impacts.

e) Ensure that project estimated costs prepared at this stage are compatible with costs anticipated during project scheduling.

f) The responsible line officer, in consultation with the Forest IDT, should review the project on-the-ground during project design.

7. Project Execution and Administration

Monitor project execution to ensure that projects are completed as designed. Document any changes made during execution to ensure that there is a complete project history. Use the monitoring and evaluation techniques described below to provide feedback on both the project and plan implementation.

G. Monitoring and Evaluation

1. Overview

Monitoring and evaluation (M/E) requirements help assess the degree to which the Forest Plan direction is being implemented and whether changes are needed in this direction through amendments or revision of the Forest Plan. Though separate activities, monitoring and evaluation are sequential. Overall direction is found in FSM 1922.6, FSM 1922.7 and 36 CFR 219.12(k). Collectively, monitoring and evaluation are intended to determine if the Forest Plan:

a) goals and objectives (i.e. the estimated outputs, services, and effects) are being achieved.

b) management prescriptions and their associated standards and guidelines are being implemented as directed.

c) management prescriptions, when applied, address the management problems and stated public issues, management concerns, and resource opportunities.

d) implementation costs are as predicted.

e) demand projections are correct.

f) amendments are needed.

g) involve the public and other agencies as appropriate in the monitoring process.

2. Monitoring

Monitoring tasks are separated into three distinct levels: 1) implementation monitoring; 2) effectiveness monitoring; and 3) validation monitoring. These levels are defined in FSM 1922.6. The display provided below illustrates examples of each level.

Implementation monitoring is:

a) used to determine if the prescriptions, projects, and activities are implemented as designed and in compliance with Forest Plan objectives, requirements, and standards and guidelines.

b) conducted by Forest and Ranger District personnel as part of their routine assignments.

c) documented in project files as part of routine compliance procedures.

Effectiveness monitoring is:

a) used to determine if the prescriptions, projects, and activities are effective in meeting management direction, objectives, and the standards and guidelines.

b) conducted by resource and/or technical specialists on a limited basis in relation to resource values and risks, and in response to public issues.

c) conducted only after determining if the prescription, project, or activity being monitored has been implemented according to direction.

d) variable in intensity, but generally requires a considerable amount of data.

Validation monitoring is:

a) used to determine whether the initial data, assumptions and coefficients used in revising the Forest Plan are correct; or if there is a better way to meet forest planning regulations, policies, goals, and objectives.

b) conducted generally with the establishment of permanent plots or studies in close coordination with research.

c) conducted when effectiveness monitoring results indicate basic assumptions or coefficients are questionable.

d) limited to those coefficients and standards that are not reasonably substantiated by existing research.

MONITORING PROCESS WITH EXAMPLES FOR PROJECT MONITORING

FOREST PLAN	PRESCRIPTIONS OR PROJECT PLANS	IMPLEMENTATION MONITORING	EFFECTIVENESS MONITORING	VALIDATION MONITORING
Items to Monitor: 1. Objectives 2. Standards and Guidelines 3. Minimum Mgt. Requirements These are established to meet goals, policy, and regulations.	Prescribe site specific methods, practices, objectives, and design to carry out forest plan	Determine if plans and prescriptions are implemented as designed.	Determine if implemented plans and prescriptions achieve objectives, standards and guidelines, and other requirements.	Determine if objectives, standards and guidelines, and other requirements meet regulations, goals, and policy.
EXAMPLES:		QUESTIONS TO BE ANSWERED AT EACH LEVEL OF MONITORING		
Keep erosion within soil T-factors to maintain soil productivity.	Prescribed Mech. site prep. Brush chop on contour.	Was site preparation carried out according to prescription?	Was erosion rate within tolerance as a result of prescribed practice?	Are tolerance factors sufficient to maintain productivity?
Use 2 step shelterwood on 80% of Ponderosa stands. The objective is to provide stand variety for wildlife and visual.	Use 2 step shelterwood on stands 1 thru 8. Clearcut stands 9 and 10.	Was harvesting accomplished according to Plan?	Did harvest methods provide the expected stand variety?	Did the resulting stand variety provide adequate wildlife habitat and maintain visual quality.
Maintain 10% shade over perennial stream to maintain water temp. for trout.	Limit harvesting trees to within 15 feet of the stream.	Were cutting restrictions adhered to according to Plan?	Did the prescribed practice(s) provide 10% shade?	Is 10% shade adequate to maintain water temperature within limits for trout?
BMPs to limit sediment yield to meet State and Federal Water Quality Goals for beneficial uses.	Set site-specific: 1. Mgt. practices (BMPs) to match site capability. 2. S&W cons practices. 3. Mitigation measures.	Were BMPs, prescriptions, and measures implemented as designed?	Did BMPs limit sediment yield as expected?	Were sediment limits or surrogates to meet water quality goals (that BMPs we designed for) appropriate to protect beneficial uses.
Maintain a minimum of 80% of the predisturbance population of primary excavators (woodpeckers). This objective is designed to maintain a viable population.	Leave minimum of 4 snags per acre.	Were a minimum of 4 snags per acre left following the disturbance?	Did at least 80% of the predisturbance population remain following the disturbance?	Did maintaining 80% of the predisturbance population result in a viable population?

Monitoring requirements should respond to NFMA, ANILCA or major forest issues. The Forest Plan IDT is responsible for identifying the monitoring steps held in common (NFMA, ANILCA, public issues), setting priorities for the monitoring steps, and identifying the information needed to support these monitoring steps. As a minimum, NFMA monitoring requirements include the following:

a) Comparison of planned vs. applied standards and guidelines, and a determination of whether Forest Plan objectives are being achieved. 36 CFR 219.12(k)

b) Quantitative comparisons of planned vs. actual outputs and services. 36 CFR 219.12 (k)(1)

c) Measured effects of prescriptions, including significant changes in land productivity. 36 CFR 219.12 (k)(2)

d) Planned versus actual costs of implementing prescriptions. 36 CFR 219.12 (k)(3)

e) Population trends of the management indicator species and relationship to habitat changes. 36 CFR 219.19 (a)(6)

f) Effects between management of Forest lands and adjacent lands. 36 CFR 219.7 (f)

g) Research needs to support or improve Forest management. 36 CFR 219.28

h) Determine if lands are adequately restocked. 36 CFR 219.12 (k)(5)(i).

i) Determine, at least every ten years, if lands identified as unsuitable for timber production have become suitable. 36 CFR 219.12 (k)(5)(ii).

j) Determine whether maximum size limits for harvest areas should be continued. 36 CFR 219.12 (k)(5)(iii).

k) Ensure that destructive insects and disease organisms do not increase to potentially damaging levels following management activities. 36 CFR 219.12 (k)(5)(iv).

Monitoring needs related to the resolution of Forest management problems should be linked to:

a) Specific public issues.

b) Management concerns.

c) Resource development opportunities.

d) Environmental effects.

Often these monitoring needs may already be addressed by NFMA monitoring requirements as described above. In addition to the NFMA requirements, monitoring activities must also respond to the various public issues, management concerns, resource development opportunities, and/or environmental effects identified during the revision or implementation of the Forest Plan. The following are suggested formats for: 1) presenting monitoring requirements in the Forest Plan; and 2) documenting monitoring results.

MONITORING REQUIREMENTS

Activity, Output or Effect Monitored	National Activity Structure Code	Monitoring Objective	Monitoring Technique	Expected Precision or Validity	Minimum Monitoring Frequency	Reporting Period	Standard of Measure	Responsible Staff	Need for Action or Change	Average Annual Cost
item to track on for M/E purposes	provides link to the National Information Requirements Project (NIRP)	why we are monitoring or evaluating	specify the sampling, reporting, or inventory technique	state in relative terms (e.g. low, medium or high)	how often --- specific to the activity being monitored	for both attainment and evaluation reports	e.g. MBF, MAcres, other	who is to be held accountable for this monitoring activity	provide the criteria that will initiate changes, amendments, or revisions	cost of this M/E action

3. Evaluation

An evaluation step is associated with each monitoring task in which the data developed through monitoring are used to determine how well the Forest Plan is being implemented, whether Forest Plan direction is being followed, and what measures, if any, are needed to keep the Forest Plan a meaningful source of direction.

In evaluating the results of implementation monitoring, attention is focused on whether project or activity implementation is consistent with the Forest Plan:

a) If implementation is consistent with the Forest Plan, determine if the original planning issues, concerns, or opportunities (ICO's) are still unresolved or if new ICO's have developed. If there are no ICO's or they are of minor consequence, continue implementation monitoring. If ICO's exist, begin effectiveness monitoring.

b) If implementation is not consistent with the Forest Plan, determine if compliance is feasible. If compliance is feasible, take appropriate measures to ensure complete implementation. If compliance is not feasible, either change the activity or follow the Forest Plan amendment procedures described below.

In evaluating the results of effectiveness monitoring, attention is focused on whether plans, prescriptions, projects, or activities are effective in meeting management direction, objectives, and the associated standards and guidelines:

a) If results indicate the initial action implemented was the most effective and the ICO's have been resolved; document the evaluation and continue implementation monitoring.

b) Even though ICO's have been resolved, the results of effectiveness monitoring may identify a different, more effective action that needs to be taken and the Forest Plan requires change. Follow the amendment procedures described below and continue implementation monitoring.

c) If results indicate the most effective action was not taken or the ICO's have not been resolved, estimate if the basic assumptions and coefficients are reasonable. If they appear reasonable, continue effectiveness monitoring. If the basic assumptions or coefficients appear questionable, begin validation monitoring.

In evaluating the results of validation monitoring, attention is focused on whether the initial data, assumptions and coefficients used in revising the Forest Plan are correct, or if there is a better way to meet forest planning regulations, policies, goals and objectives:

a) If results indicate initial data, assumptions and coefficients are valid, document the evaluation and continue effectiveness monitoring.

b) If ICO's have been resolved but the results of validation monitoring indicate a change in the basic assumptions or coefficients is needed, the Forest Plan may require change. Follow the plan amendment procedures described below and continue implementation monitoring.

c) If results indicate assumptions and coefficients are still questionable and the ICO's have not been resolved, continue validation monitoring.

The following table displays the evaluation steps associated with each of the three monitoring levels:

EVALUATION OF MONITORING RESULTS
FOR FOREST PLAN IMPLEMENTATION

```
Implementation Monitoring
          |
          |  Results
          V
      Consistent     No          Is           No
        with    -------------> Compliance ----------------> Amend
        Plan?                  Feasible?                     Plan
          |                        |
          |                        |  Yes
          |  Yes                   ------------>  Ensure
          |                                       Compliance
          V
       Issues,
     Concerns or         No
    Opportunities ---------------->       Continue
       Exists?                     Implementation Monitoring
          |
          |
          |  Yes
          |
          V
Effectiveness Monitoring
          |
          |  Results
          V
         Most                              Do
    Effective Action     No        Assumptions and   No
       Taken and      --------->     Coefficients   -----> Validation Monitoring
        ICO's                           Appear                      |
       Resolved                      Reasonable?                    |
          |                               |                         |
          |                               |                         |
          |  Yes                          |  Yes                    |
          |                               |                         |  Results
          V                               V                         |
  Document Evaluation or               Continue                     |
     Amend Plan; then                Effectiveness                  |
  Continue Implementation             Monitoring                    |
       Monitoring                                                   V
                                                       No    Assumptions and
                                  Continue         <------- Coefficients valid
                            Validation Monitoring                  and
                                                            ICO's Resolved
                                                                    |
                                                                    |  Yes
                                                                    V
                                                  Document Evaluation and Continue
                                                     Effectiveness Monitoring; or
                                                        Amend Plan and Continue
                                                       Implementation Monitoring
```

Exceptions will occur where it will be necessary to deviate from the sequential flow of the monitoring levels described above. In such cases, it may be necessary to initiate monitoring at the effectiveness or validation level. This should only occur when a condition develops that is uncontrollable under the current management situation or a change is expressly directed. Examples include:

a) Changes in laws, regulations, or direction.

b) Major changes in the resource base.

c) Major economic changes, both local and regional.

d) Fundamental changes in the basic data, assumptions and coefficients due to proven results of research.

In summary, monitoring results are used to evaluate the validity of Forest Plan direction and how well this direction is being implemented or achieved. On the basis of this evaluation, recommendations are made to the Forest Supervisors regarding changes in project of management direction, or the need for an amendment or revision of the Forest Plan. Possible recommendations include:

a. No action is needed -- monitoring indicates that the Forest Plan's management direction is being achieved.

b. Evaluation is not conclusive -- additional study or information is needed.

c. Clarification of management direction -- monitoring indicates that management direction is being improperly applied due to a lack of clarity.

d. Monitoring and evaluation indicates the need to amend the Forest Plan, either a significant or non-significant amendment -- an amendment of management direction through changes in management emphasis, management prescription, implementation schedules, or amended standards and guidelines. Amendments may be due to monitoring results, planning errors, administrative appeals, budget actions, or external proposals.

e. Monitoring and evaluation indicates the need to revise the Forest Plan -- where physical, social or economic conditions have changed sufficiently to affect the overall goals or uses of the forest, then a revision of the Forest Plan is to occur sooner than every 10-15 years as specified in NFMA.

The Forest Supervisors' decision regarding changes, amendments or revisions of the Forest Plan as a result of monitoring and evaluation are documented in Evaluation Reports which collectively describe changes in the management situation and serve as the basis for future revisions of the Forest Plan. (Refer to FSH 1909.12--6.23 and 6.33 for monitoring and evaluation techniques.)

IV. ORGANIZATION

A. Forest Plan Interdisciplinary Team

The NFMA Regulations clearly describe the need to name an Interdisciplinary Team (IDT) for the purposes of conducting the planning process. Among the many requirements, two are emphasized below.

> "A team representing several disciplines shall be used for regional and forest planning to insure coordinated planning of the various resources. Through interactions among its members, the team shall integrate knowledge of the physical, biological, economic and social sciences, and the environmental design arts in the planning process. The team shall consider problems collectively, rather than separating them along disciplinary lines." (36 CFR 219.5(a))
>
> "In appointing team members, the responsible line officer [(Lead) Forest Supervisor] shall determine and consider the qualifications of each member on the basis of the complexity of the issues to be addressed through the plan. The team shall collectively represent diverse specialized areas of professional and technical knowledge applicable to the planning area, and the team members shall have recognized relevant expertise and experience in professional investigative, scientific, or other responsible work in specialty areas which they collectively represent. The team may consist of whatever combination of Forest Service staff and other Federal governmental personnel is necessary to achieve an interdisciplinary approach. The team is encouraged to consult other persons when required specialized knowledge does not exist within the team itself. In addition to technical knowledge in one or more resource specialities, members should possess other attributes which enhance the interdisciplinary process. As a minimum, these attributes should include:
>
> 1. An ability to solve complex problems;
> 2. Skills in communication and group interaction;
> 3. Basic understanding of land and natural resource planning concepts; and
> 4. The ability to conceptualize planning problems and develop feasible solutions." (36 CFR 219.5(b))

In addition to these requirements, IDT members will also need a working knowledge of NFMA and NFMA Regulations, the National Environmental Protection Act of 1969 (NEPA) and NEPA Regulations, the Alaska National Lands Conservation Act of 1979 (ANILCA), and other laws pertaining to resource management in the State of Alaska.

In discussing the organization needed to revise the Forest Plan, two goals must be recognized. The first goal is that of involving all Administrative Areas and Ranger Districts throughout the process. Such involvement will assist the Forest Plan IDT in their efforts to produce a revised Forest Plan that is clearly understood, consistently interpreted, and accepted as being realistic (i.e. ownership). The second goal is that of identifying the necessary skills for the Forest Plan IDT and for those working in support of the IDT.

The revised Forest Plan for the Tongass National Forest will address public issues, management concerns, and resource development opportunities specific to the three Administrative Areas on the Forest (Ketchikan, Chatham, and Stikine). While most of the issues, concerns and opportunities are similar between/among the Areas, some are unique to a particular Area or Ranger District. By directly involving the Ranger Districts, the revised Forest Plan will be more responsive to local conditions. In order to ensure the planning process is responsive to these Area and/or District-specific conditions, and to increase both participation in the planning process and 'ownership' in the revised Forest Plan, the following organizational structure is proposed.

```
                                 _________________
                                |   IDT Leader    |
 ___________________            |                 |      ____________________
| Public, Groups,   |-----|-----------------|---| Local, State, and  |
|_& Organizations___|           | Forest Plan IDT |   |   other Federal    |
                                |        |        |   |_____agencies_______|
 _________________       .---|(Core & Expanded)|     _________________
| Information     |/          |_________________|-----|_RO Specialists_|
|_Task Forces_____|            /        |        \  \      __________
                             /          |         \  `------|_PNW FSL_|
                           /            |          \
  Chatham Area IDT   Stikine Area IDT    Ketchikan Area IDT
  (SO & Districts)   (SO & Districts)     (SO & Districts)
```

B. Roles and Responsibilities

One of the difficulties in conducting the NFMA planning process has been the continual need to ensure there is a clear understanding of the various organizational roles and responsibilities.

1. Line Officers

The Forest Supervisors have "overall responsibility for the preparation and implementation of the forest plan and preparation of the environmental impact statement for the Forest Plan. The (Lead) Forest Supervisor appoints and supervises the interdisciplinary team." 36 CFR 219.10(a)(2) Under the leadership of the (Lead) Forest Supervisor, the Forest Supervisors are responsible for recommending a preferred forest plan alternative to the Regional Forester. While NFMA does not speak directly to the responsibilities of District Line Officers, each District Ranger will be involved throughout the revision effort as they coordinate District support of the Forest Plan IDT, public involvement and the development of the database. District Rangers will also work directly with their respective Forest Supervisor during the development of management prescriptions, standards and guidelines, the formulation of Forest Plan alternatives, and other tasks.

The Regional Forester "shall establish regional policy for forest planning and approve all forest plans in the region." 36 CFR 219.10(a) Regional Forester responsibilities also include the approval of this Work Plan and the preparation of the Record of Decision which will accompany the Final Environmental Impact statement.

2. Forest Plan IDT

The Forest Plan IDT, under the direct supervision of the IDT Leader, is responsible for completing the overall planning process. The Forest Plan IDT will include many individuals, representing a wide range of expertise. The Core IDT is a sub-set of the Forest Plan IDT that is assigned to the revision effort on a full time basis. Some of the IDT members (Expanded IDT) will not be involved in the effort on a full time basis. Rather, they will be brought into the process as needed. The areas of expertise to be represented on the Forest Plan IDT are displayed below.

Forest Plan Interdisciplinary Team

Core IDT

IDT Leader
Planner/FORPLAN Analyst/Database Manager
Fish Biologist
Wildlife Biologist
Timber Resource Planner
Economist
Sociologist/Public Affairs Specialist
Clerical Support 1/

Expanded IDT

Transportation Planner
Lands Specialist
Minerals Specialist
Watershed (Soils and Water)
Landscape Architect
Archaeologist

1/ Currently being supported by the Juneau Ranger District

Note: A Recreation Planner position is currently being discussed.

Under the guidance of the Forest Supervisors, the entire Forest Plan IDT will be responsible for completing the following tasks during the revision of the Forest Plan:

a. Identify the public issues, management concerns, and resource development opportunities to be addressed in the revised Forest Plan.

b. Develop the Planning Process for the revision of the Forest Plan.

c. Identify the information needed to address the issues, concerns and opportunities.

d. Recommend the database to be used in support of the revised Forest Plan.

e. Coordinate with resource specialists, Area IDTs, District personnel and others involved in constructing the database.

f. Evaluate the current management situation and determine the Forest's ability to meet society's demands for goods and services. This will involve either direct participation in the pre-analyses needed to support FORPLAN or the supervision of such pre-analyses.

g. Formulate Forest Plan alternatives with Forest personnel and public participation.

h. Predict the output and activity levels for each Forest Plan alternative.

i. Estimate the effects of implementing each Forest Plan alternative.

j. Evaluate each Forest Plan alternative.

k. Coordinate with resource specialists, Area IDTs, District personnel, State & Private Forestry, Forestry Sciences Laboratory and others involved in the analysis and/or drafting the Forest Plan and DEIS. This will involve a wide range of evaluations and will also include the development of management standards and guidelines for the Forest Plan's management prescriptions.

l. Assist Line Officers with Forest Plan implementation, monitoring and evaluation.

A Core IDT will be comprised of those Forest Plan IDT members that are working full-time on the revised Forest Plan. The Core IDT is collectively responsible for implementing the tasks described in this workplan. In many cases, these tasks will be assigned by the Core IDT to Area IDTs, resource specialists, District personnel, or other members of the Forest Plan IDT. In some instances, individual Core IDT members will be responsible for certain tasks. Core IDT tasks include the following:

a. Provide overall planning coordination, guiding the planning actions.

b. Assure that all legal requirements, executive orders, regulations, and Forest Service policies are met.

c. Prepare a detailed Work Plan describing the planning process and requirements.

d. Identify inventory and information needs and determine database and FORPLAN model structure.

e. Perform the required FORPLAN modelling in association with the Analysis of the Management Situation and the formulation and evaluation of alternatives.

f. Develop, in conjunction with the Area IDTs and others, management practices and prescriptions, including their associated standards and guidelines.

g. Carry out, in conjunction with Area IDTs, public involvement activities.

h. Document the revision process and add this documentation to the formal Planning Record which is maintained by the IDT Leader.

3. Ranger District Support (IDT)

Ranger Districts represent the primary level within the organization where inventory data are developed for the Forest Plan database in response to the identified information needs. In addition, District personnel will assist in the identification of cost information related to timber sale preparation and administration, inventory reforestation and timber stand improvement; recreation activities by type; fish and wildlife habitat improvements by type; among others. During the development of management prescriptions and the associated standards and guidelines, it is important that District perspectives be considered. These perspectives are best derived from recent experiences in both project design and implementation, and will need to be incorporated through direct District personnel involvement. This involvement may be most efficiently gained through the establishment of working groups which include District personnel. In other instances, District personnel possessing specific resource expertise will be called upon as needed to support the Area IDT and/or the Forest Plan IDT.

4. Administrative Area IDTs

Area IDTs are responsible for compiling inventory and information needs from the Districts, identifying and completing inventory data and information needs not available at the District level, and working with resource specialists in the Regional Office and Forest Service Research to complete the pre-analysis information. Area IDTs are also responsible for reviewing various draft material prepared by the Forest Plan IDT and for compiling Area comments on such materials. As with District personnel, there will be instances, where Area personnel possessing specific resource expertise will be called upon to support the Forest Plan IDT.

5. Regional Office Resource Specialists

While much of the expertise required to address the various issues identified during public scoping will be available within the Forest Plan IDT, the Area IDTs, or on the Districts, Regional Office resource specialists will be called upon to lend their expertise to the revision effort. These specialists will be responsible for providing assistance in completing the Forest Plan database and pre-analysis information, coordinating with external organizations and other government agencies, and providing periodic review and input as requested by the Forest Plan IDT. It is important to note that certain inventory data, digitizing, and coding will be accomplished through contracting.

6. Forest Service Research

The Forest Service Research personnel will be called upon to provide technical assistance in developing some of the pre-analysis information (e.g. timber yield tables for regenerated stands, certain wildlife habitat definitions, demand projections, among others) and will also be involved with the identification of research needs (a Forest Plan content requirement) to be achieved through Forest Plan implementation. In addition to technical assistance, Forest Service Research and by various universities will be called upon to develop information through cooperative research efforts.

7. External Groups and Organizations

Numerous external groups and organizations have expressed an interest in being involved in the effort to revise the Forest Plan beyond the usual scoping process. These groups and organizations represent a wide range of interests throughout the region and their involvement during the planning process can be useful when defining issues, formulating Forest Plan alternatives, developing standards and guidelines, and estimating the effects of implementing these alternatives.

8. Other Government Organizations and Information Task Forces

It is essential to involve other governmental entities (local, State of Alaska, and federal) during the revision of the Forest Plan. This involvement will be both formal and informal. The later may include Information Task Groups, as was the case during the development of the existing Forest Plan, where such groups were used for problem solving and to develop information needed during the process. For example, during the revision effort, it will be necessary for the Alaska Department of Fish and Game and the USDI Fish and Wildlife Service to work directly with the Forest Plan IDT and the Area IDTs and resource specialists to define habitat types, identify management indicator species (MIS), determine the minimum viable population levels and habitat needed to support the MIS, establish population objectives, and construct habitat suitability models for the MIS. There will also be a need to coordinate with the Alaska Department of Fish and Game (Division of Subsistence) to determine current and future subsistence uses and to estimate the effects of implementing Forest Plan alternatives.

C. IDT Member Qualifications Statements

Individual IDT member qualifications are formally documented below in the form of an Interdisciplinary Team Member Qualifications Statement. Each statement was reviewed by the (Lead) Forest Supervisor who, by signing the statement, has determined each IDT member to be qualified per the requirements of 36 CFR 219.5(b).

TONGASS NATIONAL FOREST

FOREST PLAN REVISION
INTERDISCIPLINARY TEAM MEMBER QUALIFICATIONS STATEMENT

Section 36 CFR 219.5(a) of the NFMA Regulations states, "A team representing several disciplines shall be used for regional and forest planning to insure coordinated planning of the various resources." Collectively, this team represents the interdisciplinary team. Section 36 CFR 219.5(b) states, "In appointing team members, the responsible line officer shall determine and consider the qualifications of each team member on the basis of the complexity of the issues and concerns to be addressed through the plan." To facilitate this determination, each prospective interdisciplinary team member is to complete items 1-4 below and submit this form to the responsible officer ([Lead] Forest Supervisor) who will conduct the determination. This form will be signed by the team member, then by the (Lead) Forest Supervisor if the member is determined a qualified team member.

1. Name: ______________________________

   Position/Title: ______________________________

   Series & Grade: ______________________________

2. Briefly describe your college education.

Degree (Univ. or College)	Year Received	Major Field of Study

3. Briefly describe your experience by highlighting the positions you have previously held that serve to demonstrate your ability to contribute specific expertise/knowledge to this interdisciplinary team.

Position	Years	Major Responsibilities

3. Briefly describe the specific knowledge or expertise you will be contributing to this particular planning effort if you are named as a member of the interdisciplinary team. Describe your knowledge and expertise in the areas of planning, NFMA Regulation (36 CFR Part 219), environmental assessment, coordination, and analysis.

CERTIFICATION

By signing below, the named individual and the (Lead) Forest Supervisor certify that, in addition to technical expertise, the named individual is fully qualified to participate as a member of the interdisciplinary team and possesses the attributes described in 36 CFR 219.5(b) as follows:

(a) an ability to solve complex problems;

(b) skills in communication and group interactions;

(c) basic understanding of land and natural resource planning concepts, processes and analysis techniques; and

(d) the ability to conceptualize planning problems and feasible solutions.

Signature of Forest Plan IDT Member Date

Signature of (Lead) Forest Supervisor Date

V. Planning Process Milestones

To assist the Forest Plan IDT in identifying, scheduling and managing the resources necessary to revise the Forest Plan, the following planning process milestones have been developed. Deviating from the format of more traditional project paths, this path traces only the major milestones or goals rather than the detailed tasks leading up to each milestone. This more abbreviated approach was taken for several reasons. First, remaining uncertainties regarding the revised Forest Plan (e.g. completion deadline, budget availability, and commitment of staff resources) will influence the final structure of the planning process. Secondly, while the milestones are fairly inflexible in terms of sequence, the Forest Plan IDT may wish to modify, rearrange or expand upon the tasks associated with each milestone as they proceed.

Given these uncertainties, it was felt that a detailed critical path would involve more effort than is warranted at this point in the process. Experience suggests that forest planning critical paths have been the most useful when they evolve with the process. Otherwise, critical paths are likely to be 'shelved' when deviations are encountered or deadlines missed. Hence, while tasks have been identified in tabular form below, it is recommended that the individuals responsible for completing each milestone develop a more detailed task listing before proceeding with that milestone. From this, the Forest Plan IDT may wish to develop a separate critical path for each milestone. This information can then be fed back as an addendum to the work plan to keep it as current as possible.

Target deadlines are included for each milestone to provide some initial time estimates and to communicate the magnitude of the effort facing the Region. These deadlines reflect the Forest Plan IDT's current estimates of the minimum amount of time needed to complete each milestone, barring major disruptions and/or changes in direction. This timeline is based on the data deficiencies and inconsistencies identified by the Forest Plan IDT and the initial estimates of time needed to complete the required analyses. Of all the tasks, data assembly and database construction will involve the greatest amount of time and resources to complete.

For each milestone, related tasks are listed and briefly described along with suggested staff responsibilities (Forest Service personnel who will actually be doing the work associated with that task). The tasks are subject to change as the planning process proceeds. The tasks are intended to provide the Forest Plan IDT with a structure for further identifying staffing needs and for organizing workloads. The 'Staff Responsibilites' column does not include other individuals, both inside and outside the Forest Service, who will be consulted with during the completion of that task. For example, Forest Service Research, the State of Alaska (such as ADF&G), other agencies and the general public are not specifically listed, although the completion of many of these tasks will require their involvement.

A column has been included for duration, but no attempt has been made to identify the time required for each task. To a large degree, duration is a function of the number of individuals working on a particular task, the necessary skills, the level of detail desired, the degree to which the organizational structure supports parallel work assignments (i.e. dovetailing tasks), and the available budget. In many instance these factors have yet to be determined; hence only target deadlines are listed for each milestone.

Cost is also difficult to accurately estimate since it is a function of resource availability and the desired level of detail, which, in many instances, have yet to be defined. In place of dollar estimates, a '$' symbol appears in the cost column for tasks requiring expenditures over and above salary and staff support. Examples of such costs include computer time, the printing of documents, artwork and graphics, travel and room rental for public meetings, consulting services and so forth. As the Forest Plan IDT identifies the details of the planning effort, these costs can be more accurately projected.

Summary of Planning Process Milestones

Milestone	Start	Target Deadline
IDT Organization In Place		done
Public Scoping	08/87	11/87
ICOs Developed	11/87	01/88
Work Plan Finalized	07/86	07/87
Database Structure Finalized & Operational -- GIS Database	04/87	09/88
Pre-analysis Completed	06/87	03/88
Minimum Management Requirements Defined	07/87	03/88
Analysis Areas Defined	07/87	02/88
Prescriptions Developed	10/87	04/88
Benchmark Analysis Completed	01/88	06/88
Analysis of Management Situation Completed	07/87	08/88
Alternatives Formulated	05/88	12/88
Effects Estimated	11/88	03/89
Evaluation of Alternatives/Select Preferred Alternative	01/89	06/89
Draft Forest Plan & EIS	08/88	12/31/89
Final EIS & Forest Plan		1990
Forest Plan Implementation		As Scheduled
Monitoring		As Scheduled
Evaluation		As Scheduled
Action Resulting from Evaluation		As Necessary

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The following table is intended to display the overlapping nature of many of the planning process milestones.

Tongass Forest Plan Revision

```
                 ---------1987---------|--------------1988----------------|--------------1989-----------------|----1990-
                 6  7  8  9  10 11 12 1  2  3  4  5  6  7  8  9  10 11 12 1  2  3  4  5  6  7  8  9  10 11 12 1  2  3  4
                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

GIS                 ---|---------------------------------------
Implementation   Install equipment,    Build an Operational
                 training, preparation Forest Plan Data Base

                 -------------------------------------------
                 Data Verification and Digitizing

Work Plan           -
                 Review and
                 Approve

ICO Development       ----------|------
                    Public      Final ICOs Prepared After MGMT Team
                    Scoping     Review, Modifications, and Approval

Analysis of the ----------------------------
Management          Pre-Analysis
Situation           ------------------------
                    Develop MMRs

                    ---------------------
                    Identify Analysis Areas

                            -------------------
                            Develop Management Prescriptions and Standards and Guidelines

                                     ----------------
                                     Identify TLMP Prescriptions (No Change)

                                     ----------------
                                        Benchmark Analyses

                    ---------------------------------------
                                           Write AMS Document

Formulate Alternatives                           ----------------------

Estimate the Effects of Alternatives                               -------------

Evaluate the Alternatives                                                ----------------

Prepare DEIS                                              -----------------------------------|----------|-----
& Forest Plan                                             Write DEIS and Reviewer's Guide        Review      Print & Mail
                                                          Write Forest Plan                      including WO

                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
                 6  7  8  9  10 11 12 1  2  3  4  5  6  7  8  9  10 11 12 1  2  3  4  5  6  7  8  9  10 11 12 1  2  3  4
                 ---------1987---------|--------------1988----------------|--------------1989-----------------|----1990-
```

TASKS ASSOCIATED WITH FOREST PLAN REVISION MILESTONES

(Note: RF= Regional Forester, FS=Forest Supervisors, DR= District Rangers, IDT= Interdisciplinary Team, DBM= Database Manager, PAO= Public Affairs Officer)

Milestone: IDT Organization In Place (A)

Task #	Description	Responsibilities	Duration	Cost
A-1	Forest Plan IDT Identified Assumes start with Core Team Members being identified	FS, IDT Leader	Done 04/01/87	
A-2	Area IDTs Identified	FS, IDT Leader, Area Planning Staff Officers	Done 04/29/87	
A-3	Organizational Structure Defined	IDT Leader, Lead Supervisor, Forest Supervisors	Done 04/24/87	
A-4	Develop Planning Record Direction and Responsibilities	Core IDT, IDT Leader		

Target Deadline: DONE

Milestone: Public Scoping (B)

Task #	Description	Responsibilities	Duration	Cost
B-1	Develop Scoping Plan	IDT-PAO, Core IDT, FS		
B-2	Recommend Schedule for Revising Forest Plan to Chief	RF		
B-3	Approval of the Forest Plan Revision schedule	Chief		
B-4	Notice of Intent	IDT Leader, Envir. Coord.		
B-5	Establish mailing list	IDT-PAO		$
B-6	Develop media releases, newsletters	IDT-PAO, IDT Leader		$
B-7	Hold public meetings & workshops	Forest Plan IDT, PAOs, Forest Personnel		$
B-8	Analyze results of public scoping	Forest Plan IDT, PAOs, Forest Personnel		
B-9	Prepare staff paper summarizing public scoping and comments	Core IDT		
B-10	Update mailing lists	IDT-PAO, Core IDT		$
B-11	Develop Public Involvement Plan	IDT-PAO, PAOs, IDT Leader		
B-12	Update Planning Record	IDT Leader, Clerical		

Target Deadline: 11/87

Milestone: ICOs Developed (C)

Task #	Description	Responsibilities	Duration	Cost
C-1	Identify planning and land use policies of other agencies/organzations	Forest Plan IDT		
C-2	Refine existing ICO statements & indicators of resolution for developing evaluation criteria	Forest Plan IDT		
C-3	Prepare review draft of ICOs and responsiveness summary for internal review	Forest Plan IDT, Clerical		
C-4	Internal review/comment on draft ICOs	FS, RF, Staff		
C-5	Finalize ICOs	Forest Plan IDT, FS, Clerical		
C-6	Approve ICOs	RF		
C-7	Update Planning Record	IDT Leader, Clerical		

Target Deadline: 01/88

Milestone: Work Plan Finalized (D)

Task #	Description	Responsibilities	Duration	Cost
D-1	Based on approved ICOs, review & amend work plan	Core IDT, Clerical		
D-2	Internal review/comment on work plan	FS, RF, Staff		
D-3	RF approval of work plan	RF		
D-4	NFMA planning workshop (internal)	Core IDT, Lead Supervisor, and others		$
D-5	Distribution of work plan	Lead Forest Supervisor		$
D-6	Update Planning Record	IDT Leader, Clerical		

Target Deadline: 07/87

Milestone: Database Structure Finalized & Operational — GIS Database (E)

Task #	Description	Responsibilities	Duration	Cost
E-1	Define database structure working w/ USGS/EROS	Forest Plan IDT		$
E-2	Update inventory information	All IDTs		$
E-3	Define key attributes for Capability Areas (CA)	Core IDT		
E-4	Digitize data needed to define CAs	All IDTs/Contractors		$

E-5	Load database	IDT-DBM		$
E-6	Generate CA data fields	IDT-DBM, Core IDT		
E-7	Create CA maps	IDT-DBM		$
E-8	Encode attribute data by CA for data fields not digitized	All IDTs/Contractors		$
E-9	Digitize other data fields	All IDTs/Contractors		$
E-10	Test & validate database	IDT-DBM, All IDTs		$
E-11	Prepare staff paper documenting database development	IDT-DBM, Core IDT, Clerical		
E-12	Update Planning Record	IDT Leader, Clerical		

Target Deadline: 09/88

- -

Milestone: Pre-analysis Completed (F)

Task #	Description	Responsibilities	Duration	Cost
F-1	Develop recreation program information Cultural resource nominations Projected demand and associated value by activity category Projected supply Identification of recreation development opportunities Forest Service costs for: Developed recreation sites Dispersed recreation sites Trail systems Trailhead facilities Use Administration Wilderness Resources Returns to the Treasury Development of Effectively Altered Acres Index Identification of candidate areas for formal classification or designated status	IDT-Recreation Planner, Economist, All IDTs, Landscape Architects, Cultural Resource Specs., & Recreation Specs.		$
F-2	Develop wildlife resource program information Projected demand and associated value by activity category Existing and projected supply Identify enhancement opportunities Identify rehabilitation needs Forest Service costs for wildlife habitat improvement projects and management Identify terrestrial and aquatic habitat types on the Forest	IDT-Wildlife Biologist, Economists, All IDTs, & Wildlife Biologists		$

	Identify Management Indicator Species (MIS) Associated requirements for MIS: Viable Populations Habitat needed to support MIS viable populations Habitat diversity evaluation for plant and animal communities Habitat suitability index & habitat dynamics over time where activities alter existing habitat Browse/forage/other production due to habitat enhancement Habitat type — management requirements		
F-3	Develop fisheries resource program information Projected demand and associated value by activity category Existing and projected supply Identify enhancement opportunities Identify rehabilitation needs Forest Service costs for fish habitat improvement projects and management Identify aquatic habitat types on the Forest Identify Management Indicator Species (MIS) Associated requirements for MIS: Viable Populations Habitat needed to support MIS viable populations Habitat suitability index Channel type — management requirements	IDT-Fish Biologist, Economist, All IDTs, Fish Biologists	$
F-4	Develop timber program information Projected end-product demand and associated price Stumpage value by species, diameter, log grade Projected gross & net yield Operator costs Forest Service costs Returns to Treasury	IDT-Timber Resource Planner & Economist, All IDTs, Timber Resource Specialists	$
F-5	Develop watershed resource program information Projected demand and associated value of consumptive water uses Projected supply of consumptive water resources Identify enhancement opportunities Identify rehabilitation needs	IDT-Soils/Water, Economist, Forest Hydrologists, Soils Scientists, All IDTs	$

	Forest Service costs Support analyses for: Over-steepened ground Mass failure risk Soil productivity Plant association Develop watershed disturbance index		
F-6	Develop minerals/energy resource information Projected demand and associated value Projected supply and locations Forest Service costs Returns to the Treasury	IDT-Minerals, Economist, Minerals Specialists, All IDTs	$
F-7	Lands program information Existing special use permits Projected demand and associated value of special use permits by permit type Forest Service costs Returns to Treasury	IDT-Lands, All IDTs, Lands Specialists	$
F-8	Forest Service facilities information Forest Service Costs for: Road & bridge construction Road & bridge reconstruction Road & bridge maintenance TTF construction TTF maintenance Administrative sites/ building construction Administrative sites/ building maintenance Facility preparation and administration Operator costs for: Road construction Road and TTF maintenance	IDT-Transportation Planner, All IDTs, Engineering Specialists, Budget Officers, Planner, Economist	$
F-9	Develop resource protection cost information Forest Service costs for: Fire management operations Law enforcement operations Forest pest management	All IDTs, Budget Officers IDT-Economist	$
F-10	Develop general administrative cost information Line management costs Program support costs Land management planning Monitoring and evaluation Other general admin. costs	All IDTs, Budget Officers IDT-Economist	$

F-11	Develop socio-economic information Population characteristics Economic structure Community structure Land & subsistence use patterns including supply and demand Attitudes, beliefs and values Economic analysis parameters (base year, trends)	IDT-Sociologist, Economist All IDTs		$
F-12	Update Planning Record	IDT Leader, Clerical		

Target Deadline: 03/88

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Milestone: Minimum Management Requirements (MMRs) Defined (G)

Task #	Description	Responsibilities	Duration	Cost
G-1	Identify lands tentatively suitable for timber production	All IDTs		$
G-2	Identify viable populations for MIS & suitable habitat to support these populations	IDT-Biologist, All IDTs, Forest Biologists		$
G-3	Identify habitat diversity requirements	IDT-Biologist, All IDTs, Forest Biologists		$
G-4	Identify riparian areas	IDT-Soil/Water & Fish Biologist, All IDTs		$
G-5	Identify measures to maintain soil & water productivity	IDT-Soil/Water, All IDTs		$
G-6	Divide MMRs into model constraints & prescription standards & guidelines	Core IDT		
G-7	Staff paper documenting how MMRs were developed	Core IDT, Clerical		
G-9	Approve MMRs	FS		
G-10	Update Planning Record	IDT Leader, Clerical		

Target Deadline: 03/88

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Milestone: Analysis Areas Defined (H)

Task #	Description	Responsibilities	Duration	Cost
H-1	Review ICOs	Forest Plan IDT		
H-2	Review Pre-analysis results	Forest Plan IDT		
H-3	Review planning criteria	Forest Plan IDT		
H-4	Define level identifiers	All IDTs		

H-5	Prepare staff paper on rationale behind level identifier definitions	Core IDT, Clerical		
H-6	Summarize acres by analysis area (query database)	IDT-DBM		$
H-7	Update Planning Record	IDT Leader, Clerical		

Target Deadline: 02/88

Milestone: Prescriptions Developed (I)

Task #	Description	Responsibilities	Duration	Cost
I-1	Review ICOs, MMRs & analysis area characteristics	All IDTs		
I-2	Develop range of management practices appropriate for Tongass based upon ICOs	All IDTs		
I-3	Identify suitable management practices for each analysis area	All IDTs		
I-4	Define range of suitable management Rx for each analysis area in response to ICOs & MMRs	All IDTs		
I-5	Draft standards & guidelines for each management Rx	All IDTs		
I-6	Prepare staff report documenting Rx development process & summarizing management Rx's	Core IDT		
I-7	Update Planning Record	IDT Leader, Clerical		

Target Deadline: 04/88

Milestone: Benchmark Analysis Completed (J)

Task #	Description	Responsibilities	Duration	Cost
J-1	From pre-analysis results, construct cost, value, yield and effects tables and equations by analysis area and prescription for FORPLAN	IDT-Economist, Core IDT Budget Officer		$
J-2	Prepare staff paper documenting development of FORPLAN tables & equations (for DEIS & associated appendices)	IDT-Economist, FORPLAN Analyst, Core IDT, Budget Officer, Clerical		
J-3	Define model constraints for MMRs & timber policy constraints applied to benchmark runs	Core IDT, Forest Plan IDT		
J-4	Prepare staff paper documenting development of MMR & timber policy model constraints	Core IDT, Forest Plan IDT, Clerical		

J-5	Construct FORPLAN model & execute initial run(s) to check data & validate coefficients	IDT-FORPLAN Analyst, DBM, Core IDT		$
J-6	Execute benchmark runs including incremental analysis	IDT-FORPLAN Analyst, DBM, Core IDT		$
J-7	Validate benchmarks using 'no change' (current direction) benchmark run	IDT-FORPLAN Analyst, DBM, Core IDT		$
J-8	Prepare staff report summarizing results of benchmark runs	Core IDT, Clerical		
J-9	Update Planning Record	IDT Leader, Clerical		

Target Deadline: 06/88

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Milestone: Analysis of Management Situation Completed (K)

Task #	Description	Responsibilities	Duration	Cost
K-1	Summarize projected future demand for goods & services (from pre-analysis)	Forest Plan IDT		
K-2	Describe potential supply of goods & services (from benchmarks)	Core IDT		
K-3	Describe supply of goods & services under current direction	Core IDT		
K-4	Review results of 'no change' benchmark & determine need for change in management direction (i.e. contrast projected demands with supplies)	Forest Plan IDT		
K-5	Draft AMS document	Core IDT, Clerical		
K-6	Internal review of draft AMS document	FS, RF, Staffs		
K-7	Finalize AMS document	Core IDT, Clerical		
K-8	RF approval of AMS	RF		
K-9	Update Planning Record	IDT Leader, Clerical		

Target Deadline: 08/88

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Milestone: Alternatives Formulated (L)

Task #	Description	Responsibilities	Duration	Cost
L-1	Review ICOs	All IDTs		
L-2	Review benchmark results (AMS)	All IDTs		
L-3	Develop alternative themes	All IDTs, FS, Staffs, Publics		
L-4	Conduct formal public involvement	IDT-PAO, All IDTs, PAOs, FS		$

L-5	Identify goals for each alternative theme	All IDTs, PAOs, FS
L-6	Develop alternative objectives	All IDTs, PAOs, FS
L-7	Ensure management Rx's adequately cover alternative objectives	Core IDT/All IDTs
L-8	Identify minimum implementation requirements (applied to all alternatives)	Forest Plan IDT
L-9	Identify forest constraints (technical — applied to all alternatives)	Forest Plan IDT
L-10	Identify additional forest constraints unique to each alternative	Forest Plan IDT
L-11	Develop alternative descriptions (written)	Core IDT
L-12	Develop modeling direction for each alternative	IDT-FORPLAN Analyst, Core IDT
L-13	Prepare staff paper documenting alternative development process	Core IDT, Clerical
L-14	Update Planning Record	IDT Leader, Clerical

Target Deadline: 12/88

- -

Milestone: Effects Estimated (M)

Task #	Description	Responsibilities	Duration	Cost
M-1	Run alternatives	IDT-FORPLAN Analyst, DBM		$
M-2	Check each alternative for implementation	Core IDT, All IDTs		
M-3	Re-run alternatives (if necessary)	IDT-FORPLAN Analyst, DBM		$
M-4	Re-check alternatives for implementation	Core IDT, All IDTs		
M-5	Summarize economic effects	IDT-Economist, Core IDT		
M-6	Summarize physical & biological effects	Forest Plan IDT		
M-7	Summarize social effects	IDT-Sociologist, Core IDT		
M-8	Complete ANILCA Section 810 subsistence analysis/evaluation	IDT-Sociologist, Core IDT		

Task #	Description	Responsibilities	Duration	Cost
M-9	Summarize responsiveness to ICOs	Core IDT, All IDTs		
M-10	Prepare staff paper documenting FORPLAN analysis (for Appendix B, DEIS)	IDT-FORPLAN Analyst, Core IDT		
M-11	Staff paper summarizing methodology to estimate effects (if outside model)	Core IDT, Clerical		
M-12	Update Planning Record	IDT Leader, Clerical		

Target Deadline: 03/89

Milestone: Evaluation of Alternatives/ Select Preferred Alternative (N)

Task #	Description	Responsibilities	Duration	Cost
N-1	Review & finalize evaluation criteria	FS, Forest Plan IDT		
N-2	Develop ranking scheme within each evaluation criterion for comparing alternatives	Core IDT, FS		
N-3	Rank alternatives using evaluation criteria	FS, Core IDT, All IDTs		
N-4	Identify preferred alternative for recommendation to RF	FS, Forest Plan IDT		
N-5	Prepare staff paper documenting rationale behind identification of preferred alternative	Core IDT, Clerical		
N-6	RF selects Preferred Alternative	RF		
N-7	Update Planning Record	IDT Leader, Clerical		

Target Deadline: 06/89

Milestone: Draft Forest Plan & EIS (O)

Task #	Description	Responsibilities	Duration	Cost
O-1	Review modelling results & all staff papers on AMS & preferred alternative	Core IDT		
O-2	Review Forest Plan content direction (see Work Plan Appendix C)	Core IDT		
O-3	Prepare draft forest management direction chapter	Forest Plan IDT, Clerical		
O-4	Finalize MA management prescriptions	Forest Plan IDT, All IDTs		
O-5	Prepare MA maps	Core IDT, Cartographers		$
O-6	Develop implementation direction & activity schedules	Core IDT, All IDTs		

O-7	Prepare glossary	Core IDT, Clerical		
O-8	Review existing staff papers and modelling results	Core IDT		
O-9	Review direction on EIS content (see Work Plan Appendix D)	Core IDT		
O-10	Prepare purpose & need chapter (DEIS)	Core IDT, Clerical		
O-11	Prepare alternatives chapter (DEIS)	Forest Plan IDT, Clerical		
O-12	Prepare affected environment chapter (DEIS)	Forest Plan IDT, Clerical		
O-13	Prepare environmental consequences chapter (DEIS)	Forest Plan IDT, Clerical		
O-14	Prepare appendices (DEIS)	Core IDT, Clerical		
O-15	Forest Supervisors distribute DEIS & Forest Plan for internal review	FS, Core IDT		
O-16	Internal review of DEIS & Forest Plan	FS, RF, Staff, Forest Personnel		
O-17	Finalize DEIS & Forest Plan based on internal review	Core IDT, Clerical		
O-18	RF approves DEIS & Forest Plan and submits DEIS & Forest Plan to WO for review	RF		
O-19	RF approves DEIS & Forest Plan for external distribution	RF		
O-20	Print DEIS & Forest Plan	Core IDT, Contractor		$
O-21	Distribute DEIS & Forest Plan for public review	Core IDTs, FS		$
O-22	Update Planning Record	IDT Leader, Clerical		$

Target Deadline: 12/31/89

Milestone: Final EIS & Forest Plan (P)

Task #	Description	Responsibilities	Duration	Cost
P-1	Conduct formal public involvement for draft EIS & Forest Plan	All IDTs, PAOs		$
P-2	Analyze public comment	All IDTs, PAOs		
P-3	Prepare staff paper summarizing public comment	Core IDT, Clerical		
P-4	Recommend selected alternative to RF	FS		

P-5	Edit/Amend EIS & Forest Plan per FS & public comment	Core IDT, Clerical		
P-6	Prepare Draft Record of Decision (ROD)	FS, RF, IDT Leader, Core IDT		
P-7	FS distribute EIS & Forest Plan, Draft ROD for internal review	FS, Core IDT		
P-8	Internal review of EIS, Forest Plan and Draft ROD	FS, RF, Staff, Forest Personnel		
P-9	RF reviews comments & approves/disapproves selected alternative	RF		
P-10	Finalize EIS, Forest Plan, & ROD based on internal reviews & RF direction	Core IDT, Clerical		
P-11	Final RF approval and signing of ROD	RF		
P-12	Print FEIS, Forest Plan, & ROD	Core IDT, Contractor		$
P-13	Distribute FEIS, Forest Plan, & ROD	Core IDTs, FS		$
P-14	Update Planning Record	IDT Leader, Clerical		
P-15	Address Administrative Appeals, if necessary	RF, FS, IDT		

Target Deadline: 1990

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Milestone: Forest Plan Implementation (Q)

Task #	Description	Responsibilities	Duration	Cost
Q-1	Assign Area & District responsibilities for coordinating Forest Plan implementation	FS, DR		
Q-2	Develop procedures/direction for project analysis & scheduling	All IDTs, Core IDT		
Q-3	Conduct Area & District implementation training	Area IDTs, Core IDT		$
Q-4	Area & District training on use of database for Plan implementation and project analysis/scheduling	IDT-DBM		$
Q-5	Conduct scheduled project analyses	FS, DR		$
Q-6	Conduct public involvement as part of project analyses	All IDTs, PAOs		$
Q-7	Update database per project implementation	IDT-DBM, All IDTs		$

Target Deadline: As Scheduled

Milestone: Monitoring (R)

Task #	Description	Responsibilities	Duration	Cost
R-1	Assign Area & District level responsibilities for monitoring	FS, DR		
R-2	Conduct Area & District level training on monitoring	All IDTs, Core IDT		$
R-3	Prepare annual monitoring reports for Districts, Areas & Forest-wide	All IDTs		

Target Deadline: As Scheduled

Milestone: Evaluation (S)

Task #	Description	Responsibilities	Duration	Cost
S-1	Assign evaluation responsibilities on Districts & Areas	FS, DR		
S-2	Prepare annual evaluation reports	All IDTs		$
S-3	Forest Supervisors review evaluation report(s)	FS		
S-4	Determine significance of changes in management situation based on evaluation reports & public comment	FS, Area IDTs		
S-5	If necessary, recommend amending action	Area IDTs		
S-6	If necessary, recommend revision action	RF, FS, Area IDTs		
S-7	Document rationale for recommendation	RF, FS, Area IDTs		

Target Deadline: As Scheduled

Milestone: Action Resulting from Evaluation (T)

Task #	Description	Responsibilities	Duration	Cost
T-1	Non-signficant amendment	FS		
T-2	Significant amendment	RF		
T-3	Forest Plan Revision	Chief		

Target Deadline: As Necessary

VI. PUBLIC PARTICIPATION PLAN

A. Introduction

The National Forest Management Act of 1976 (NFMA) describes a forest planning process largely driven by the public issues, management concerns and resource opportunities. Identification of public issues, management concerns and resource opportunities is referred to as 'scoping' and is the first and most critical step in the NFMA planning process. Scoping objectives are to: 1) determine the depth of analysis regarding proposed actions; 2) guide environmental analysis, documentation, and task assignments; and, 3) achieve effective use of time and money in conducting environmental analysis.

Regulations issued by the Council on Environmental Quality require that, in addition to initial scoping, diligent efforts be made throughout the planning process to "involve the public in preparing and implementing NEPA procedures" (40 CFR 1506.6). The Council further requires that public involvement "shall conform to the requirements of the National Environmental Policy Act and associated supplementing regulations and Forest Service Manual and Handbook guidance" (36 CFR 219.6(b)).

Effective scoping requires creation of a forum for people to communicate their ideas, thoughts, and opinions regarding policies, programs, and activities. Maintaining public involvement with planning activities requires the public be provided with useful and understandable information to help them understand the decisions to be made, the significant factors influencing decisions, the decisionmaking process, and opportunities for them to participate. To achieve this, a public participation program must be incorporated with forest planning activities early in the process as an integral part of the process, not a separate procedure (FSM 1626.03).

The public involvement plan outlined on the following pages is based on Forest Service direction found in FSM 1626 and FSH 1609.13 and from the Citizen Participation Handbook for Public Officials and Other Professionals Serving the Public. These documents should be reviewed in conjunction with this description.

B. Goal

The Forest Service conducts public participation activities in order to: 1) accommodate the public's desire to know about Forest Service plans and proposals and to obtain the public's views; 2) encourage public participation in planning and decisionmaking; 3) to be aware of and responsive to the values expressed by the public (FSM 1905).

The goal of public information and involvement efforts is to gain informed consent from potentially affected interests so the Forest Plan Revision can be implemented without appeal (Citizen Participation Handbook).

C. Objectives

The high priority objectives related to achieving this goal and the actions related to each objective are listed below. These objectives are consistent with direction found in FSM 1626 and FSH 1609.13. For a more thorough description of each objective, refer to the Citizen Participation Handbook (page numbers are in parentheses).

1) Establish and maintain the legitimacy of the planning process (IV-6, 7).
   - Ensure all publics understand the need for Forest Plan Revision and that NEPA/NFMA processes are the most appropriate way to address the need.
   - Throughout the planning period, constantly keep the planning process before the changing publics.
   - Inform new participants about the planning process they are joining and remind initial participants how the Forest Plan evolved.

2) Establish and maintain the legitimacy of all major assumptions and prior decisions (IV-7).
   - Clearly document all major assumptions and prior decisions associated with Forest Plan Revision.
   - Publicly review these assumptions and decisions early in the process to determine if they are still valid. Validity of assumptions and decisions made prior to the planning effort may change due to changing conditions, knowledge and understanding, and values.
   - Ensure that all potentially affected interests believe in the validity of assumptions and decisions and/or changes.

3) Get to know all of the potentially affected interests and learn to see the Forest Plan Revision process through their eyes (IV-7 to 9).
   - Identify all publics that will, or think they will, be affected by the Forest Plan.
   - Gain a thorough understanding of the significant concerns and values of potentially affected interests recognizing the social, economic, cultural, and geographic circumstances that influence participation .
   - Gain a thorough understanding of how potentially affected interests perceive the Forest Service, its role in the Forest Plan Revision, the likely effects and their evaluation of the revised Forest Plan.

4) Ensure that forest plan information is available to, received and understood by all potentially affected interests (IV-11).
   - Consider the agency's needs and requirements to exchange information with the public regarding specific decision points in the planning process.
   - Identify the formal and informal communication networks.
   - Determine what type of information is needed by which publics, how the information should be displayed and what channel will most effectively communicate the information.
   - Provide publics with useful and understandable information to help them understand the decisions to be made, significant factors influencing decisions, the decisionmaking process, and the appropriate opportunities for them to participate.
   - Be scrupulously unbiased in the kind of information released and to whom it is released.
   - Be the best, most complete, and most reliable source of information.

5) Receive and understand all information that various publics communicate.
   - Document all scheduled public participation activities by a summary of the principal issues discussed, comments made, and a register of participants.
   - Consider public comments individually and by type of group and organization to determine common areas of concern and geographic distribution.
   - Evaluate results of analysis to determine the variety and intensity of viewpoints about ongoing and proposed planning and management standards and guidelines.

D. Techniques

The following techniques are consistent with FSH 1609.13 and will be used to achieve the goal and objectives stated above. It is important to note that the numerical references are related to Public Information and Involvement (I&I) techniques described in the Citizen Participation Handbook. Refer to this handbook for a more thorough discussion of the tasks associated with each technique (page numbers are in parentheses).

Scheduling specific dates for the implementation of public involvement techniques is difficult as many techniques will be used on a continual basis throughout the planning effort. Likewise, identifying specific individuals to implement techniques is difficult as it is unknown who is the most appropriate individual for each task. To ensure effective use of time and talent the Forest Plan IDT Leader, in consultation with Forest Supervisors and Line Officers, will decide who is to do what and when they are to do it.

An effort has been made in the following paragraphs to identify approximate dates for implementation of each technique and to identify those personnel that will likely be called upon for assistance. Dates and personnel will be modified as details of the planning effort are revealed.

1) Produce and release Forest Plan materials to interested publics and the media (I&I Technique #4, page V-13).
- Determine which publics read and what they read.
- Develop at least two products for each interest group giving consideration to reading needs and abilities to insure that messages sent are read.
- Always give sufficient background information to clarify the meaning of any announcements including: what, why, and how work is being completed; where in the process we are; what major events or decision-points have transpired.
- Be concise, avoiding any and all jargon.
- Clearly distinguish fact from opinion.
- Assure all products reflect objectives of the public involvement plan in text and graphics according to needs of the technical planning process.
- Consider the following materials for production and release:
  - Legal Notices
  - Paid Advertisements
  - Formal News Releases
  - Displays and Bulletin Notices
  - Mailed Notices
  - Feature Articles, Video-Tape and Slide Shows
  - Television and Radio Appearances
  - Agency or Forest Plan Reports

Schedule: Initial production will be the most time consuming (i.e., one week to one month to complete) depending on the product and available resources. Decisions regarding product development will be made following consultation with Area Public Affairs Officers, Regional Public Affairs Office personnel and Forest Plan IDT members. Given the time-line, it is desirable that these decisions be made by, at least, 07/31/87 with production to follow, immediately. Area Public Affairs Officers will be called upon, as needed regarding product design and content. Production is expected to take place in the Regional Office. While the initial production effort will be the most intensive, it is important to note that materials will be produced and modified as needed to meet changing public involvement objectives.

2) Prepare and distribute a Forest Plan newsletter (I&I Technique #5, page V-15).

- Develop masthead and format.
- Assemble illustrations and/or photos.
- Develop text relating to illustrations and photos within space limits of format.
- Typeset and paste-up product using the AMIGA or contract to complete this step.
- Add photos and build dummy newsletter.
- Assure the dummy newsletter effectively communicates the desired information by having a "Napoleon's Idiot" or lay person read and explain what they think the newsletter said.
- Rework where necessary and repeat the review.
- Send to printer (1 week turn around)
- Consider comment forms with each publication
- Following a similar production sequence for other materials.

Schedule: Newsletter production and printing will take an absolute minimum of 10-14 days. Time necessary to develop text will determine the overall time it takes to publish a newsletter. Draft text will be developed by Forest Plan IDT members then distributed for review and comment by Area Public Affairs Officers, Regional Public Affairs Office personnel and one or more Napoleon's Idiots. It is expected that initial text will be distributed for review and comment by 07/15/87 with production to begin in the Regional Office by 07/31/87. It is important that a newsletter be published on somewhat of a regular basis to ensure our publics remain informed about planning progress. While the newsletter schedule has not yet been determined, it is certain that one will be published at each major decision-point including: issue identification, 12/87; alternative formulation, 12/88; draft environmental impact statement, 12/89. While the initial production effort will be the most intensive, it is important to note that the newsletter will be modified throughout the planning process as needed to meet changing public involvement objectives. In addition, the appropriateness of continued newletter production will be reviewed.

3) Inform publics about the Forest Plan problem-solving and decisionmaking process (I&I Technique #7, page V-16).

- Describe the Forest Plan Revision process in terms of "decision-points" to include:
  - what decisions must be made and who makes them
  - what factors apply to how decisions are made
  - what information is used
  - when decisions take place
- Use quick, inexpensive, effective and easily modified means to illustrate the decision-points including:
  - large, colorful, graphics or slides
  - concise narratives
  - displays
- Use every occasion for presenting a review of what, why, and how we are proceeding with the Forest Plan Revision effort, how far along in the processes we are, and what major decision-points have transpired including:

- a synopsis of this review in every media release
- opening all public presentations with the most appropriate version of this review
- office interactions with publics
- displays depicting, in a readily understandable way, Forest Plan IDT responsibilities and how these responsibilities are being met

Schedule: While this technique will be used throughout the planning process, it is particularly important at the outset. Area Public Affairs Officers will be called upon to include information on Forest Plan Revision in their already established publications, presentations and displays as appropriate. The idea is to take advantage of every available opportunity to focus attention on the decisionmaking process to insure our publics are aware of and remain interested and involved in the Forest Plan Revision effort. Obvious decision-points are issue identification, 12/87; alternative formulation, 12/88; draft environmental impact statement, 12/89.

4) Implement the Fish-Bowl planning strategy to assure all interested publics understand the entire problem-solving effort and are brought to the conclusion that a particular course of action is the right course of action (I&I Technique #9B, page V-19).

- -Prioritize publics into "absolutely-likely-to-veto" and "other" categories.
- Communicate with all publics, focusing Fish-Bowl Planning efforts more toward those "absolutely-likely-to-veto."
- Establish a regular, if unofficial, schedule for sharing information with the vetoer publics, giving every consideration to vetoers values, learning mode, skills, and available time.
- Insure that newsletters and other publications reinforce the Fish-Bowl planning strategy by:
  - being 100% candid about the Forest Plan Revision process, findings, decisions, and efforts with all publics, particularly the most probable vetoers.
  - resisting the temptation of censuring, sanitizing, or in any other way manipulating what the public gets to see.
  - getting rid of all jargon.

Schedule: Forest Service direction is to "ensure public participants receive information concerning the decisions made and why they were made," and to "ensure that information provided to the public is understandable and presented in a manner and form that enable participants to make informed comments" (FSM 1626.04b). Adoption of the Fish-Bowl strategy will enable us to meet agency direction only if the strategy is embraced by all Forest Service personnel throughout and for the duration of the Forest Plan Revision effort.

5) Ensure that the needs of interested publics visiting Forest Service Offices are effectively addressed (I&I Technique #11, page V-20).

- Identify messages that need to be conveyed to each visitor and the best methods to convey these messages.
- Establish a standard procedure for introducing first-time visitors to messages.
- Identify and train planning HOSTs to be "on call" at Visitor Centers, Districts, Supervisors Offices, Regional Office, and Forest Plan IDT Office to meet visitors and answer their questions regarding the planning effort.

- Develop a means of recording visitors concerns at Forest Service offices.

Schedule: This technique will be used throughout the planning effort.

6) Make effective use of meetings conducted by various clubs, civic groups, and other organizations (I&I Technique #16A, page V-27).
- Identify organizations to which interested publics belong.
- Develop messages consistent with public involvement objectives.
- Identify and produce, for each group, products that will effectively convey these messages.
- Assign personnel to attend meetings and train them in how to conduct/present products, identify concerns and receive responses.
- Develop a means of capturing responses made at meetings.
- Contact groups and make arrangements for attending meetings.
- Debrief with IDT, as appropriate, to convey feelings, ideas, themes, and concerns brought up at meetings.

Schedule: Forest Service direction is to coordinate public participation activities "with those of other Federal, State, and local governments; tribes; citizen groups; and organizations. Where possible, schedule public participation activities to avoid multiple agency requests that involve the same publics in similar programs during the same time period" (FSM 1626.4). In addition, we are directed to "assist and train agency personnel in public participation policies, methods, procedures, and techniques to ensure objectivity in the collection and analysis of public comments" (FSM 1626.04b). Line Officers, Area Public Affairs Officers and Regional Public Affairs Office personnel will be called upon to identify public meetings held by other organizations and agencies. They will be asked to identify the most appropriate individuals to attend these meetings to receive and convey information regarding the Forest Plan Revision effort. While the specifics have not yet been determined, training will be provided to those personnel likely to have the greatest amount of contact with our publics. This will be done to ensure consistency in the distribution of Forest Plan information and to ensure objectivity in the collection and analysis of public comments. The potential exists for this to become quite time consuming and we are aware that no one individual has time to attend every meeting held in their area. Consequently, Forest Plan IDT members, Regional Public Affairs Office personnel, Area Public Affairs Officers, and Line Officers will consult to identify and target those meetings most appropriate for this effort. This technique will be used throughout the planning process with emphasis being given to the following decision-points: issue identification, 12/87; alternative formulation, 12/88; draft environmental impact statement, 12/89.

7) Prepare and distribute Responsiveness Summaries to those from whom comments are received (I&I Technique #37, page V-43).

- Identify interested publics for which responsiveness summaries are being compiled.
- Based on publics, identify the best medium to display and distribute responsiveness actions and summaries.
- Collect responsiveness actions.
- Produce, edit and distribute responsiveness summaries.

Schedule: While this will be an ongoing effort, the bulk of this work will occur following major decision-points including: issue identification, 12/87; alternative formulation, 12/88; draft environmental impact statement, 12/89. While interested publics are requested to submit comments directly to the Forest Plan IDT, it is likely that Districts and Area Offices will also receive comments. Following consultation with Area Public Affairs Officers and Regional Public Affairs Office personnel, a method for handling comments will be developed and implemented. It is anticipated that this method will be determined by 08/87 and implemented immediately. The method selected will determine the impact to Area Officers.

Summary Display of the Public Information and Involvement Process

Action	I&I Technique							Obj.#
	#4	#5	#7	#9B	#11	#16A	#37	
1) Clearly document the planning and decision-making process.	X	X	X	X	X	X	X	1
2) Develop a clear understanding on the part of the PAIs of how they fit into the process.	X	X	X	X	X	X	X	1
3) Clearly document all major assumptions and prior decisions associated with Forest Plan Revision.	X		X	X		X	X	2
4) Review these assumptions and decisions publicly early in the process.	X		X	X		X	X	2
5) Get to know all the PAIs associated with the Forest Plan Revision.				X	X	X	X	3
6) Get to understand each PAIs hopes, fears, aspirations, likes, dislikes, and so forth.				X	X		X	4
7) Work towards a high level of clarity in all forms of communication with PAIs.	X	X	X	X		X		5
DATES: BEGIN								
COMPLETE								

VII. Notice of Intent

To formally initiate a Forest Plan Revision, a Notice of Intent must be published in the Federal Register. This notice officially informs the public that the Forest is proceeding with a revision of the Forest Plan and describes the work associated with the preparation of an Environmental Impact Statement (EIS) (36 CFR 219.6). The notice also advises the public of how they can get involved in the process and briefly describes the following (40 CFR 1508.22):

1) The proposed action [revision of the Forest Plan] and the kinds of alternatives possibly associated with this action (e.g. brief description of the range of alternatives and associated key variables).

2) The public involvement process (scoping) proposed for involving other agencies, organizations and interested publics; the overall intent of the scoping process; and the timing and location of any scoping meetings.

3) The estimated dates for filing the Draft and Final EISs.

4) The name of the Responsible Official [Regional Forester] as well as the name, address, telephone number and title of the individual(s) within the agency who can answer questions about the proposed action and the EIS. As a minimum, the (Lead) Forest Supervisior and the Interdisciplinary Team Leader should be named as the primary contacts, though others may also be named.

The preparation of the notice is fairly straightforward. A sample Notice of Intent is included in the Environmental Policy and Procedures Handbook (FSH 1909.15, Chapter 40), and Section 67 of the handbook describes the specific requirements for submitting documents to the Federal Register, including format, signatures, copies and transmittal. The original and two copies of the notice must be sent to the Office of the Federal Register, National Archives and Records Service, General Services Administration, Washington, DC 20408. A copy must also be sent to the Director of Environmental Coordination in the Washington Office (WO) for updating the records on EISs being prepared.

NEPA implementing regulations specifically state that "...As soon as practicable after its decision to prepare an environmental impact statement and before the scoping process the lead agency shall publish a notice of intent..." (40 CFR 1501.7) Continuing, the NEPA Regulations acknowledge situations where considerable time may elapse between the decision to prepare an EIS and the completion of the document, by stating "...Agency procedures may provide that where there is a lengthy period between the agency's decision to prepare an environmental impact statement and the time of actual preparation, the notice of intent required by 1501.7 may be published at a reasonable time in advance of preparation of the draft statement." (40 CFR 1507.3)

If the information contained in the original notice changes, the Responsible Official must notify the WO Director of Environmental Coordination. For significant changes, a revised Notice of Intent must be published in the Federal Register, referencing previously published document(s) related to the proposed action. Unfortunately, neither the NEPA Regulations nor the procedural direction define 'significant' change.

A Notice of Intent can be cancelled if, after publication of the notice or distribution of a draft EIS, the proposed action is withdrawn or a decision is no longer necessary. Cancellations are to follow Notice of Intent procedures and must reference any previously published Notice of Intent or notice about the availability of an EIS (refer to the the example in Chapter 40 of FSH 1909.15).

VIII. List of Preparers

The initial draft work plan was prepared by the Interim IDT under the leadership of Win Green as the Lead Forest Supervisor. The Interim IDT included the following individuals.

Lou Merzario	Interim IDT Leader Planning Systems Specialist (Regional Office)
Jinny Worthington	Economist (Regional Office)
Cal Wettstein	Timber Resource Planner (Regional Office)
John Erickson	Wildlife Biologist (Thorne Bay Ranger District)

Following the appointment of Don Lyon as Forest Plan IDT leader, members of the Forest Plan IDT revised the work plan to incorporate the results of several meetings and the recent issuance of the FSH 1909.12 (draft). A draft Work Plan was released on April 23, 1987 for internal review and comment. Based upon the comments received, the Forest Plan IDT prepared the final Work Plan. Forest Plan IDT members included:

Don Lyon	Forest Plan IDT Leader
Steve Kessler	Fish Biologist
Lou Merzario	Planner/FORPLAN Analyst/Database Manager
Connie Myers	Sociologist/Public Affairs Specialist
Mark Orme	Wildlife Biologist
Bill Wilson	Timber Planner
Jinny Worthington	Economist

IX. GLOSSARY OF ACRONYMS

ADF&G	Alaska Department of Fish and Game
AMS	Analysis of the Management Situation
ANCSA	Alaska Native Claims Settlement Act
ANILCA	Alaska National Interest Lands Conservation Act
APC	Alaska Pulp Company
ARC-INFO	A brand of GIS database software
ARC-NODE	Vector Digitized Format
ASQ	Allowable Sale Quantity
BLM	Bureau of Land Management
BTU	British Thermal Unit
CFR	Code of Federal Regulations
CIR-O-P	Color Infrared Ortho Photo
CMAI	Culmination of Mean Annual Increment
DEIS	Draft Environmental Impact Statement
DEM	Digital Elevation Model
EFFALT	Effectively Altered Acres - an index of visual quality
EIS	Environmental Impact Statement
EROS	Earth Resources Observation Systems
EVC	Existing Visual Condition
FEIS	Final Environmental Impact Statement
FLURS	Forest Land Use Report System
FORPLAN	Forest Planning Model
FS	Forest Service
FSH	Forest Service Handbook
FSL	Forest Science Laboratory
FSM	Forest Service Manual
FUD	Fish User Days
FY	Fiscal Year
GIS	Geographic Information System
GMR	General Management Review
I&I	Information & Involvement
ICO	Issues, Concerns or Opportunities
IDT	Interdisciplinary Team
IPASS	An economic model used in Alaska
JRD	Juneau Ranger District
KPC	Ketchikan Pulp Company
LANDSAT	satellite providing spectral imagery for resource interpretation
LMP	Land Management Planning or Plan
LTSY	Long Term Sustained Yield
LUD	Land Use Designation
M&S	Minerals and Geology
MARS	Management Attainment Reporting System
MIH	Management Information Handbook
MIS	Management Indicator Species
MLBS	Thousand Pounds
MM$	Million Dollars
MMBF	Million Board Feet
MMCF	Million Cubic Feet
MMR	Minimum Management Requirements
MRVD	Thousand Recreation Visitor Days
MUSY	Multiple Use Sustained Yield Act
NAS	National Activity Structure
NEPA	National Environmental Policy Act
NET4T	Transportation Economic Model
NFMA	National Forest Management Act
NIRP	National Information Requirements Project

NMFS	National Marine Fisheries Service
PAI	Potentially Affected Interests
PAMARS	inclusive of MARS
PAOT	Persons at One Time
PNV	Present Net Value
PNW	Present Net Worth
PP&B	Program, Planning and Budget
RD	Ranger District
RIM	Recreation Inventory Management
RNA	Research Natural Areas
RO	Regional Office of the Forest Service
ROS	Recreation Opportunity Spectrum
RPA	The Forest and Rangeland Renewable Resources Planning Act
RVD	Recreational Visitor Days
S2K	System 2000 (a hierarchical database)
SE	Southeast
SEAPROG	SE Alaska Prognosis (timber yield model)
T&E	Threatened and Endangered species
TLMP	Tongass Land Management Plan
TMIS	Timber Management Information System
TSPIRS	Timber Sale Program Information Reporting System
TTF	Terminal Transfer Facility
TTSF	Tongass Timber Supply Fund
USDI	United States Department of Interior
USGS	United States Geologic Survey
UTM	Universal Transverse Mercator
VAC	Visual Absorption Capacity
VCU	Value Comparison Unit
VQO	Visual Quality Objective
WFHR	Wildlife and Fish Habitat Relationships
WFUD	Wildlife and Fish User Day
WO	Washington, D.C. Office of Forest Service
WUD	Wildlife User Day

APPENDIX A

STANDARDS FOR ANALYSIS

THIS APPENDIX IS UNDER DEVELOPMENT AND, WHEN COMPLETED, WILL BE ADDED TO THE WORK PLAN

APPENDIX B — EXAMPLE MANAGEMENT PRESCRIPTION

STREAMSIDE MANAGEMENT ZONE PRESCRIPTION

mphasis

Maintain high water quality in lakes and streams by establishing a natural filter zone between the water and soil disturbing activities. Preserve aquatic values. Provide for wildlife, timber and recreation use that is compatible with high water quality. Give special attention to the management of lands adjacent to surface waters on the forest, including development and maintenance of angler access trails.

Description

Management Area Number 30 contains 25,963 acres of high site timber land that are capable, available, and suitable (CAS) for scheduled harvest. The Streamside Management Zone (SMZ) helps protect water quality and the riparian deciduous habitat. SMZ's are discrete areas adjacent to streams or lakes that are managed primarily to meet water quality objectives and incidentally meet other specific objectives. SMZ's vary in width relative to the class of the stream and its stability.

The Streamside Management Zone concept is one of the Best Management Practices (BMP) prescribed to meet water quality objectives established by Public Law 92-500, Section 208, California State Water Resources Control Board (SWRCB). Under a broad interpretation flood plains that fall within the intent of Executive Order 11988 are covered by the Streamside Management Zone.

The Standards and Guidelines for the size and extent of the Streamside Management Zone are defined in Practice 83 of Management Area Number 30. Riparian areas are always included within the Streamside Management Zone. As a minimum, riparian areas are defined to be (1) areas 100-feet horizontal distance from the edge of standing bodies of water, (2) areas a horizontal distance of 100 feet on both sides of perennial stream channels, and (3) all wetlands.

MANAGEMENT PRACTICE	GENERAL DIRECTION	STANDARDS/GUIDELINES
Recreation		
2 - Recreation Opportunity Spectrum - Primitive 3 - Recreation Opportunity Spectrum - Semiprimitive Nonmotorized 4 - Recreation Opportunity Spectrum - Semiprimitive Motorized 5 - Recreation Opportunity Spectrum - Roaded Natural 6 - Recreation Opportunity Spectrum - Rural	Incorporate a full range of Recreation Opportunity Spectrum classes.	Retain the existing ROS Class that the Streamside Management Zone passes through.
15 - Visual Quality Objective - Retention	Provide a natural appearing streamside setting.	Make Retention the desired Visual Quality Objective along Sensitivity Level 1 (Retention) streams.

16 - Visual Quality Objective - Partial Retention	Provide a natural appearing streamside zone.	Make Partial Retention the minimum Visual Quality Objective along Sensitivity Level 2 (Partial Retention) streams. Partial Retentionshall also be acceptable where minor administrative or recreation improvements are found along an otherwise Sensitivity Level 1 stream.
17 - Visual Quality Objective - Modification	Provide a natural appearing streamside zone.	Modification is an acceptable Visual Quality Objective.
19 - Visual Resource Improvement	Provide a natural appearing streamside zone in Sensitivity Level 1 and 2 areas.	Mitigate impacts which lower the inventoried Visual Quality Objective.
20 - Developed Recreation and Visitor Information Services Site Construction and Rehabilitation	Develop sites only where water quality is not impaired and riparian dependent resources are not irreversibly impacted. Apply to Forest Service operated facilities and those under Special Use Permit or Concession.	With the exception of bridges, docks, boat ramps and temporary structures such as picnic tables and fire rings, place all structures (particularly rest rooms) at least 100 feet from lakes and streams or above the 100 year flood plain, whichever is greater.
24 - Developed Recreation	Operate sites in a manner that is compatible with water quality objectives.	Give preference to public service facilities over individual or preferential type private sector uses.
25 - Dispersed Recreation Management	Permit dispersed recreation to the extent that activities are compatible with maintaining water quality.	Manage and meet Standards and Guidelines as shown under Practice Number 83, Watershed Maintenance and Rehabilitation
27 - Restricted Off-Road Vehicle (ORV) Management	Confine ORV use to designated roads, trails and crossings.	Confine use to the dry seasons on stabilized roads and trails. Allow over-the-snow travel. Limit stream crossings to stable rock or gravel areas where stream bank damage will be minimal. Locate stream crossings at right angles to the stream to prevent stream diversions.

Fish And Wildlife

36 - Stream Fisheries Habitat Improvement and Maintenance - Structural Improvements	Direct improvement and maintenance activities to enhance cold water (trout) stream fisheries.	Use stream structural improvements to increase fisheries values where costs are commensurate with benefits. Structures shall not decrease the existing stability of the stream channel.

37 - Stream Fisheries Habitat Improvement and Maintenance - Nonstructural Improvements	Direct improvement and maintenance activities to enhance cold water (trout) stream fisheries.	Follow Standards and Guidelines for stream improvements in Chapter 10, Forest Service Handbook 2609.11.
38 - Lake Fisheries Habitat Improvement and Maintenance - Structural	Direct improvement and maintenance activities to enhance warm water and cold water lake fisheries.	Design structures to increase natural reproduction of targeted.
39 - Lake Fisheries Habitat Improvement and Maintenance - Nonstructural	Direct improvement and maintenance activities to enhance warm water and cold water lake fisheries.	Coordinate with the California State Department of Fish and Game.
40 - Wetlands Habitat Improvement and Maintenance	Improve or maintain habitat for wetland species.	Increase targeted wetland species through habitat management.
42 - Habitat Improvement - Old Growth	Provide habitat for late successional wildlife species associated with old growth forests.	Maintain selected old growth stands in high quality condition. The size of stands (total area inside and outside SMZ) will be greater than 100 acres where possible.
43 - Habitat Improvement - Vegetation Enhancement	Provide medium to high quality cover and forage for fish and wildlife species associated with riparian habitats.	Maintain an average riparian corridor width of 100 feet on both sides of perennial streams. Retain the following vegetative structure within the riparian strip unless project interdisciplinary teams determine otherwise: Uneven-aged timber predominantly 100 and 250 years old, with maximum opening one acre in size or three chains along the streambank. Canopy closure of 40 to 70 percent. One or more species of riparian hardwoods, in young and mature age classes, over 20 percent of the area by crown cover. At least 25 percent of the total ground cover in shrubs, forbs, grasses, and small trees.
44 - Snag and Down Log Management	Improve habitat for featured species by providing an intensive level of snag and down log management.	Leave four or more snags per acre greater than 24 inch diameter breast height when available stems are present in the stands.

		As a minimum, maintain an average density of three downed logs per acre, 20 inches in diameter by 10 feet in length, in all forest types. This is equivalent to one log per acre, 32 feet in length, or 2 logs per acre, 16 feet in length or any combination thereof.
47 - Structural Wildlife Habitat and Maintenance	Improve the habitat capability.	Design improvements to increase habitat capabilities for Management Indicator Species.
Timber		
65 - Special Cutting - Streamside Management Zone	Harvest merchantable timber with the objective of maintaining the stream-protective characteristics of the vegetation while utilizing the timber productivity of the site. Manage to meet some of the mature timber habitat needs of wildlife. Protect riparian vegetation for dependent wildlife species.	Remove trees singly or in groups to improve stand vigor. Provide shade for the stream bed and retain ground cover in order to minimize deposition of sediment into the stream. Occasionally regeneration harvesting may be appropriate in poorly stocked stands. Consult an interdisciplinary team or appropriate specialists when these areas exceed two acres in size or extend more than three chains along the streambank.
69 - Ground Based Harvest System 70 - Cable Harvest System 71 - Skyline Harvest System 72 - Special Harvest System	Utilize harvest systems which protect residual trees and retain sufficient ground cover.	Exclude harvest machines from the Streamside Management Zone except when necessary to improve the stream channel or the Streamside Management Zone effectiveness.
73 - Artificial Stand Reestablishment	Maintain stocking of coniferous species on all suitable timber land.	Encourage natural regeneration, but where needed to maintain productivity, practice artificial regeneration and control of competing vegetation. Ground base pesticide application may be made within 100 feet of flowing streams, lakes, ponds, and springs. Limited plant and site specific hand applications may be proposed within the 100 foot strip; however the State Water Quality Control Board must be consulted regarding all pesticide projects in the Streamside Management Zone. If mutually deemed appropriate, a monitoring program will be initiated.

74 - Natural Stand Reestablishment	Maintain stocking of coniferous species on all suitable timber land.	Attempt to get adequate stocking through natural seedfall. Perform supplemental planting if seedfall is not sufficient. Ground based pesticide application may be made within 100 feet of flowing streams, lakes, ponds, and springs. Limited plant and site specific hand applications may be proposed within the 100 foot strip; however the State Water Quality Control Board must be consulted regarding all pesticide projects in the Streamside Management Zone. If mutually deemed appropriate, a monitoring program will be initiated.
77 - Release and Weeding	Perform timber stand improvement to maintain stand vigor.	Manage conifer stocking and control competing vegetation. Maintain conifer height and diameter growth commensurate with site, as per appropriate yield tables. Ground based pesticide application may be made within 100 feet of flowing streams, lakes, ponds, and springs. Limited plant and site specific hand applications may be proposed within the 100 foot strip; however the State Water Quality Control Board must be consulted regarding all pesticide projects in the Streamside Management Zone. If mutually deemed appropriate, a monitoring program will be initiated.
78 - Precommercial Thinning	Perform thinnings to achieve adequate spacing of precommercial size stands.	Remove excess stocking by hand, mechanical or chemical methods. Ground base pesticide application may be made within 100 feet of flowing streams, lakes, ponds, and springs. Limited plant and site specific hand applications may be proposed within the 100 foot strip; however the State Water Quality Control Board must be consulted regarding all pesticide projects in the Streamside Management Zone. If mutually deemed appropriate, a monitoring program will be initiated.
79 - Fuelwood	Remove available fuelwood when not in conflict with stream protection and wildlife.	Specifically mark or otherwise designate materials to be removed.
80 - Christmas Trees and other Miscellaneous Forest Products	Harvest miscellaneous products when not in conflict with stream protection and wildlife.	Specifically mark or otherwise designate materials to be removed.

Water and Soils

83 - Watershed Maintenance and Rehabilitation

Maintain or restore stable watershed conditions by limiting the area and degree of soil disturbance and vegetation removal.

Manage Streamside Management Zones to protect water sources from the impacts of upstream and upslope soil vegetation disturbances.

Establish and maintain Streamside Management Zones for all Class I, II and III stream channels and lake shores. The SMZ width varies with stream class and watershed stability, as follows:

Guidelines for Establishing SMZ's 1/

Stream Class	Stability 2/ Soil/Slope	Recommended Width From Streambank Perennial	Intermittent
I	Stable	200-300	150-250
	Unstable	300-600+	250-500+
II	Stable	100-200	100-150+
	Unstable	200-400+	150-300+
III	Stable	100-150	100-100+
	Unstable	100-250+	100-200+

1/ SMZ Width should be established on the ground using the table below as a guide and should be fitted to the topography of the area. In the application of these guidelines it is expected that actual widths will approximate those in the table. The distances shown are for one side of the stream only.

2/ Within the SMZ ground cover density shall not be reduced below 60 percent for stable watershed conditions and 70 percent for all other conditions.

Limit the season or entirely prohibit gold dredging where this use degrades water quality and is damaging to the fishery.

Minerals and Geology

91 - Geologic Inventory and Evaluation

Protect geological hazard areas from unacceptable surface or mass movement.

Modify harvest and road facility development to maintain stabilization of the soil where standard practices would result in excessive soil loss because of geologic instability (generally slopes over 70 percent).

Lands

98 - Power Related Licenses and Permits

Accommodate power project proposals. The Streamside Management Zone, by definition, is the Forest area most heavily impacted by power projects.

Assess all project proposals to reduce or minimize both direct and indirect impacts.

		Class I streams will have the highest potential for development. Class II and III are next. Class IV streams have only limited potential. Coordinate with the California State Department of Fish and Game and Water Quality Control Board regarding instream flows related to fisheries, disturbance of riparian vegetation, water quality maintenance, and recreation needs. This area is a window, with mitigation, for transportation-utility corridors.
Facilities		
100 - Timber Access Road Development - Construction and Reconstruction 101 - General Resource Access Road Development - Construction and Reconstruction	Design road contruction and reconstruction to be compatible with water quality objectives.	Locate roads at right angles to the Streamside Management Zone. Provide full stabilization.
106 - Trail Construction and Reconstruction	Design trail construction and reconstruction to be compatible with water quality objectives while providing fisherman access to streams.	Locate destination trails at right angles to the SMZ. Consider building parallel trails for fisherman access to remedy bank erosion problems in areas of concentrated public use.

United States Department of Agriculture
Forest Service
WO

1920 Land and Resource Management Planning

Date OCT 19 [illegible]

Subject Forest Plan Content

To Regional Foresters

Enclosed is a packet of procedural advice on Forest Plans. The minimum standards for Forest Plan Content continues to be 36 CFR Part 219.11. This direction is advisory and provided to help improve the quality and consistency of Forest Plans.

We are most appreciative of the work of Lawrence Michalsky, Tim Sale, Bill Geurds, and Ray Behnert for their work and to each of the Regions for their assistance in this effort.

The key task for the Forest Supervisor will be to make the Forest Plan a workable document for the Forest management team. Each of the Forests will have learned a great deal about how to improve the management of the Forest through this process and it is important that this knowledge is passed on in the form of direction in this package.

Gary E. Cargill
GARY E. CARGILL
Associate Deputy Chief

APPENDIX C

FOREST PLAN CONTENTS

October 4, 1983

USDA FOREST SERVICE

INTRODUCTION

The material on Forest Plan Contents which follows is to provide assistance on the content and preparation of the Forest Plan documents. It is responsive to the NFMA, the Regulations, and the OGC Checklist for Review of Forest Plans.

These Forest Plan Contents are listed under the section called TABLE OF CONTENTS and are followed by a second section called PLAN CONTENTS - Description, Justification, and Documentation Guidance. This is to provide insight on why each section and subsection of the Contents has been proposed, clarification about what each is to address, and how materials compiled during the Forest planning process can be utilized during plan formulation and documentation. No standard documentation formats for the specific contents of each section of the plan are implied, except where noted.

The outline represents the desired order of chapters and the desired order of subsections for the content of a Forest Plan. Regions may reorder subsections within each chapter as they desire. Each subsection listed should be present in a plan. Additional subsections and content may be included as deemed necessary.

TABLE OF CONTENTS

Proposed and final Forest Plans will address all the plan contents included in the following Table of Contents. Terminology used in the Table conforms with the definitions of 36 CFR Part 219.3 and other definitions as provided.

The Table presents the subjects to be addressed in the Forest Plan to conform with direction found in NFMA, the Regulations, and the OGC Advice (ATTACHMENT A). The relation of the listed contents to each of these sources of direction is shown with the Table. Other items and subjects may be included in the Forest Plan in order to improve its utility as a source of management direction.

TABLE OF CONTENTS	SOURCES OF DIRECTION		
	NFMA	36 CFR Part 219 NFMA Regulation	OGC Advice
i. Preface	Sec.6f	219.10(b)(c)(d)	—
ii - iii. Table of Contents	Sec.6f(2)	—	—
iv. List of Maps, Tables, and Figures	Sec.6f(2)	—	—
I. Forest Plan Introduction	—	—	—
A. Purpose of the Forest Plan	Sec. 6(e)	219.1(b)	I.B.1.
B. Relationship of the Forest Plan to:	—	—	—
1. Other Documents/Plans			
2. Coordination Requirements			
C. Plan Structure	—	—	—
D. Forest Description	—	—	—
II. Analysis of the Management Situation Summary	—	219.11(a)	I.B.
A. Supply Conditions	—	219.12(e)	—
1. Maximum Production of Goods and Services	—	219.12(e)(1)(ii)	—
2. Production Levels Under Current Management Direction (No Action Alternative)	—	219.12(e)(2)	—
B. Demand Conditions	—	219.12(e)	—
1. Projected Demands	—	219.12(e)(3)	—
C. Research Needs	—	219.7(e)	—
III. Plan Responses to Issues, Concerns and Opportunities	—	219.12(f)(4)	—
A. Major Public Issues	—	219.12hf)(4)	—

B. Management Concerns	—	219.12(f)(4)	—
C. Resource Use and Development Opportunities	—	219.12(f)(4) 219.11(b)	—
IV. Forest Management Direction			
A. Forest Management Goals	—	219.11(b)	I.B.
1. Multiple Use Goals	—	219.11.(b)	I.B.
2. Other Goals	—	219.3	—
B. Forest-wide Standards and Guidelines	—	219.11(c), 219.27	I.B.5.
C. Forest Management Objectives	—	219.11(b)	I.B.
1. Projected Outputs in RPA Periods	—	219.11(b)	I.B.
a. Timber Resource Summaries	—		—
(1) Land Suitability	Sec 6 k	219.14	—
(2) Allowable Sale Quantity	—	219.16	—
(3) Planned Timber Sales	Sec 6 f(2)	219.11(c)	I.B.2.
(4) Timber Harvest Methods	Sec 6 f(2)	219.27(b)	I.B.3.
b. Other Resource Summaries	—		—
D. Desired Future Condition of the Forest	—	219.11(c)	I.B.
E. Management Prescriptions	—	219.11(c)	I.B.
1. Management Prescriptions	—	219.11(c)	I.B.
a. Association of Vegetation Management Practices with Vegetative Types	—	219.15	I.B.3.a.
2. Management Areas 1/	—	219.11(e)	I.B.
a. Description	—	—	—
(1) Lands Unsuitable for Timber Production	—	219.14(d)	I.B.2.a.

b. Management Prescriptions Applied	—	219.11(c)	I.B.
(1) Schedule of Proposed and Probable Practices	Sec 6 f(2)	219.11(c)	I.B.
3. Management Area Standards and Guidelines 1/	—	219.11(c)	I.B.
a. Associated Management Requirements	—	219.27	I.B.5.
(1) Resource Integration Requirements		219.13-.26	I.B.4.
V. Implementation of the Forest Plan			
A. Implementation Direction	—	219.10(e)	—
B. Monitoring and Evaluation Program	—	219.7(f), 219.11(d)	I.B.1
1. Monitoring			
a. Requirements	—	219.12(k), 219.11(d), 219.7(f), 219.27	—
b. Monitoring Process	—	219.12(k)(4)	—
(1) Actions, Effects, or Resources to be Measured	—	219.12(k)(4)(i)	—
(a) Frequency of Measurement	—	219.12(k)(4)(i)	—
(2) Precision and Reliability	—	219.12(k)(4)(ii)	—

1/ These subsections are repeated for each Management Area defined in the Forest Plan.

2. Evaluation				
a. Requirements	—	219.12(k), 219.7(f), 219.11(d), 219.10(e),(g)	—	
b. Reports	—	219.12(k)(1)-(4)	—	
(1) Evaluations and Recommendations	—	219.12(k), 219.10(g)	—	
c. Reporting Frequency and Distribution	—	219.12(k)(4)(iii)	—	
C. Amendments and Revisions	Sec 6.(f)	219.5(a)(7)		
1. Amendments	(4),(5)	219.10(e),(f)		
2. Revisions		219.10(g)		

VI. Glossary

VII. Appendix

1. Management Area Maps

2. Implementation Schedules

A. Timber Sales Schedule

B. Other Activity Schedules

PLAN CONTENTS - Description, Justification, and Documentation Guidance

i.-iv. Preface, Table of Contents, List of Maps, Tables and Figures

These are the preamble materials of the Forest Plan.

The Preface will relate the Forest Plan to applicable laws and regulations. The title and address of the Forest Supervisor will be included as a source of information about the Plan. A Table of Contents and a list of maps, tables and figures should be included.

The Preface should also state: If any particular provision of this proposed action, or the application thereof to any person or circumstances, is held invalid, the remainder of the proposed action and the application of such provision to other persons or circumstances shall not be affected thereby.

A subsection on public review and appeal rights on the Record Of Decision should reflect the provisions contained in the NFMA Regulations on these subjects.

I. Forest Plan Introduction

This section will introduce the general purpose of the Forest Plan, the Plan structure, and how the Plan relates to the EIS and other documents. It will also provide a brief description of the Forest.

A. Purpose of The Forest Plan

This subsection on general purpose will be written in standard fashion which paraphrases Part 219.1-(b) as follows:

> The Forest Plan guides all natural resource management activities and establishes management standards and guidelines for the __________ National Forest. It describes resource management practices, levels of resource production and management, and the availability and suitability of lands for resource management.
>
> The Forest Plan embodies the provisions of the NFMA, the Regulations, and other guiding documents. The land allocation, prescriptions, and standards and guidelines are a statement of the Plan's management direction; however, the projected outputs, services, and rates of implementation are dependent on the annual budgeting process.

B. Relationship of the Forest Plan to Other Documents

1. Regional Guide.

2. Environmental Impact Statement

This subsection can also be written in standard fashion. The following basic wording is suggested:

The Forest Plan is the selected alternative and is based on the various considerations which have been addressed in the accompanying Environmental Impact Statement (EIS). The planning process and the analysis procedure which were used in developing this Plan, as well as the other alternatives that were considered, are described or referenced in the EIS. Activities and projects will be planned and implemented to carry out the direction in this Plan. These local projects will be "tiered to" the accompanying EIS as provided for in 40 CFR 1502.20. The local, project environmental analysis will use the data and evaluations in the Plan and EIS as its basis.

C. Plan Structure

This subsection should introduce the reader to the interrelated purposes of the major Plan sections (II - VII) that follow.

D. Forest Description

This subsection should include the location and general characteristics of the Forest. Include Forest location maps showing National, Regional, and local vicinity of administrative area covered by the Plan. Place all three on single page if possible.

II. Analysis of the Management Situation Summary

This section of the Plan will briefly summarize the supply and demand conditions for signficiant market and nonmarket goods and services associated with the planning area. Special conditions affecting supply or demand should be briefly described in this section.

A. Supply Conditions

This subsection will include a summary display of the constrained maximum physical and biological production potentials for significant individual goods and services (maximum resource level benchmarks) identified in the Analysis of the Management Situation (AMS). Also included are displays of the production levels which are attainable under current management direction. The definitions for each of the production levels are as follows:

Maximum Production Potential

> The highest level of a particular output or use that could be produced over time with regard for legal and other requirements.

Current Management Direction Production (No-Action Alternative)

> The level of goods and services provided under current management direction, as constrained by current Forest budgets, and the most likely level of goods and services expected to be provided under probable budgets if current management direction continues.

The display should show only the output levels of the maximized or minimized output for the RPA time periods(5 decades), ie. from max-forage display only forage production, from max-timber display only timber products, from max-water yield display only water yield. Except, the "No-Action" display should display the entire set of outputs the same as those from the max output levels.

B. Demand Conditions

This Subsection will include a summary display of projected demands for the significant goods and services, as these have been addressed in the AMS.

Both supply and demand conditions will be displayed for each of the RPA planning periods. All of the above mentioned supply and demand condition levels may be contained in a single table.

C. Research Needs

This section will include the research needs which were identified by the Forest Supervisor, in consideration of the input of other Federal, state and local governments, and universities, as required under Part 219.7(e). In the proposed Plan, these will be considered as research proposals which are subject to the approval of the Regional Forester. The set of research needs which are included in the final Plan may be supplemented by additional needs identified during Plan monitoring and evaluation activities.

III. Plan Responses to Issues, Concerns, and Opportunities

This section will show how the Plan addresses and responds to major public issues, management concerns, and resource opportunities (ICO's) identified during the planning process.

Part 219.12(f)(4) states:

> "Alternatives shall provide different ways to address and respond to the major public issues, management concerns, and resource opportunities identified during the planning process."

Proposed and final Forest Plans, which stem from such alternatives, must also embody this direction.

The information sources for documenting this section include those portions of the draft or final EIS which address Parts 219.12(b) and (f), Forest Planning Process, as these relate to the proposed and final Plans. For final Plans, the changes made to the proposed Plan as a result of public review should also be taken into consideration, insofar as these changes may have altered Forest Service responses to ICO's.

The part of the AMS dealing with the determination of the potential to resolve public issues and management concerns, as required by Part 219.12(e)(4), can also be drawn on in documenting how the Plan responds to the ICO's. Reference can be made to the other Plan Contents which follow, especially the section on Forest Management Direction, in order to minimize redundancy.

This section should not be a restatement of the ICO discussion in the EIS, but state the resolution of issues or concerns that are pertinent directional statements. Typically in the resolution of major issues or concerns a statement of local policy or direction is adopted. These statements need to be incorporated in the Plan as direction so that they are not lost. The key is if the resolution of an issue or concern is to be resolved not by a prescription but by an over-riding management policy, then that policy should be stated in this section or the appropriate standards and guidelines section.

IV. Forest Management Direction

The following sections are designed to facilitate both the homo- and heterogeneous approaches to management area development. The purpose of the management area is to identify the application of a specific prescription and associated standards to a defined set of land conditions on a specific land area.

Part 219.11, Forest Plan Content, contains two subparts which define the basic subjects (underlined) that must be addressed in this section:

> 219.11(b) Forest multiple-use goals and objectives that include a description of the desired future condition of the Forest or Grassland, and an identification of the quantities of goods and services that are expected to be produced or provided during the RPA planning periods; and
>
> 219.11(c) Multiple-use prescriptions and associated standards and guidelines for each management area including proposed and probable management practices such as the planned timber sale program;

A. Forest Management Goals

This subsection will contain the multiple use goals and other goals which were used in the planning process to develop the alternative which becomes the proposed and final Plan.

A subsection of other goals was included since these are part of the definition of management direction.

B. Forest-Wide Standards and Guidelines

Management Standards and Guidelines are addressed twice in this section (IV.B. and IV.E.3.). Those which are applicable on all management areas should be listed on a Forest-wide basis and those applicable only on specific management areas should be listed by management area.

The terms Standards and Guidelines, as used in the context of Forest planning, have been defined by their use in the NFMA Regulations. The legal interpretation is that there is no distinction between them. Both are considered as equal performance criteria. Therefore, these two terms will always be used jointly in this document. 2/

Standards and guidelines state the bounds or constraints within which all practices will be carried out in achieving the planned objectives. Therefore, standards and guidelines should be measureable to be meaningful. There is little purpose in defining standards and guidelines for which no methods of measuring the degree of compliance or attainment exist.

2/ The Forest may want to note in the plan that there is no difference in meaning between "standards" and "guidelines" and that only the word "standards" will be used in the remainder of the plan.

The Standards and Guidelines presented in this section or in the Management Areas section (IV.E.3) should reflect those which were applied in the development and analysis of the preferred alternative. Be especially sensitive to those for the minimum management requirements in Part 219.27. If the Standards and Guidelines are modified as a result of responding to public review comments on the proposed Plan, such changes should be incorporated into the final Plan.

C. Forest Management Objectives

This subsection should list the overall objectives in narrative form, explain how the Projected Outputs also serve as objectives and introduce the subsections on Resource Summaries.

1. Projected Outputs

The subsection on Projected Outputs will display the levels of goods and services which are anticipated as the Plan is implemented. These outputs will be displayed in a chart showing how they vary during each of the RPA planning periods (i.e., 5 decades). Outputs will be expressed on an average annual yield per decade basis, using MIH definitions whenever possible.

a. Timber Resource Summaries

(1) Land Suitability Summary

The lands unsuitable for timber harvest production will be stated in acreages for each Management Area (IV.E.2.a(1)) and summarized for the Forest in the Land Suitability Summary (IV.C.1.a.1). This is addressed in OGC Guideline I.B.2a and is required by Section 6 of the NFMA (16 U.S.C. 1604(k)), which states (in part): "In developing land management plans pursuant to this Act, the Secretary shall identify lands within the management area which are NOT suited for timber production, ..."

Display the land suitability acreages for the total land area of the Plan. See FSM 2414.21 for further explanation of this display.

(2) Allowable Timber Sale Quantity

The Timber Resource Base Sale Schedule and the Allowable Sale Quantity (Table of Contents IV.C.1.a.(2)) are required by Part 219.16. For this subsection, a short explanation of the Allowable Timber Sale Quantity and the Base Sale Schedule will accompany the chart as described in FSM 2414.25.

(3) Planned Timber Sales and Harvest Methods

The Planned Timber Sales and Timber Harvest Methods (Table of Contents IV.C.1.a(3) and IV.C.1.a(4)) are addressed in OGC Guidelines which state:

> I.B.2. "The projected acreage, volume, location, and scheduling of timber sales must be displayed in some form. As a minimum, the proposed volume of timber scheduled to be sold each year for the first decade for each managment area should be shown. 16 U.S.C. 1604(f)(2), 36 CFR Part 219.11(c)."

> I.B.3. "The relative proportion of probable timber harvest methods projected to be used (clearcut, shelterwood, group selection, etc.) and reasons for selection must be displayed in some form, 16 U.S.C. Part 1604(f)(2), 36 CFR Part 219.15."

The planned timber sales for the first decade, and the timber harvest methods associated with those planned sales will be stated. For the planned sales, the proposed volumes of timber to be sold each year for the first decade, by management area, will be displayed (ten years on a rolling basis, beginning with the first year of the approved Plan). A narrative will be associated with this schedule to explain why the harvest methods to be used (e.g., clearcut, shelterwood, etc.) in the proposed sales have been selected (see FSM 2414.22). The relative proportion of the acres to be harvested with each of these methods during the ten year period will also be displayed. It is suggested that the narrative be located in the Plan and the actual Planned Ten Year Timber Sale Schedule be included as an appendix section to the Plan. This is described in FSM 2414.27. Narrative should also explain that estimates of acreage and volume are tentative and will be adjusted based on field location and measurements.

b. Other Resource Summaries

Other resource summaries and schedules for activities such as road construction, range improvements, vegetation burning, and other capital investments should be summarized in this section. These detailed schedules should be included as appendices to the Plan. It is suggested that they cover the same time frame as the Planned Timber Sales Schedule.

D. Desired Future Condition of the Forest

This subsection finds its basis and definitions in subsections IV.C. and IV.E. The future condition of the Forest is as much a part of management goals and objectives as are outputs and effects. The desired condition will describe what the Forest should be like if the management direction contained in the Plan is implemented. It should summarize the anticipated physical changes which would result from carrying out planned management practices. Emphasis should be placed on what the physical structure of the Forest will be at the end of ten years, the end of 50 years (RPA planning horizon), and beyond, as appropriate, especially when departures are provided. Examples of the structural components are: stand composition and age structure, miles of road, acres of roadless area, numbers and kinds of facilities, acre-feet of water, etc.

E. Management Prescriptions

1. Management Prescriptions

The subsection on Management Prescriptions will contain a full description of each selected management prescription. A succinct title for the prescription and/or the alpha-numeric code which was associated with the prescription in the planning process will be included.

Special area direction will, whenever possible, be expressed in a manner similar to that for other management areas in order to insure that necessary management practices can be incorporated into forest-wide budget proposals. Special management provisions consistent with special area authorities will also be stated. Special areas include such areas as Wildernesses, Wild and Scenic Rivers, National Trails, existing Research Natural Areas, and National Forest Monuments. They may be defined as individual management areas, as parts of other management areas, or as a combination of several management areas when they are very large and when internal management needs vary significantly from location to location.

Management direction will be written for any proposed special areas as if they are designated special areas while they are under consideration for approval by applicable authorities. Recommendations for new Research Natural Areas will be stated in the Plan and forwarded through proper channels.

The subsection on Special Areas is included in response to Parts 219.2 and 219.25 of the Regulations.

For those prescriptions that involve vegetative manipulation, it will be indicated how and why these prescriptions are associated with the various vegetative types which are manipulated on the Forest (OGC Guideline I.B.3.). Also see FSM 2414.22.

The subsection on Association of Vegetation Management Practices with Vegetative Types (Table of Contents IV.E.1.b) is required by Part 219.15 and is addressed in OGC Guideline I.B.3.a which states:

> I.B.3a "Reasons for selection of other vegetation management practices (i.e, herbicides) must be displayed in some form. 36 CFR Part 219.15."

The objectives of the prescription or set of prescriptions and the desired results as applied to a given vegetative type should be stated.

2. Management Areas

The description of each management area will include:

(1) The management area code and name (if used).

(2) A brief summary of major physical attributes and other characteristics.

(3) The size of the management area in total acres and how many of these acres are unsuitable for timber harvest. The sums of these two values for all management areas will equal the values of items 10 and 8 respectively, in the Land Suitabiltiy Summary Table.

Under Management Prescription(s) Applied, the Scheduled Proposed and Probable Management Practices (Table of Contents IV.E.2.b.(1)) comprising each prescription will be listed. Proposed practices will be associated with the first decade of the planning period and probable practices with the second decade. Practices will be associated with MIH definitions to facilitate the formulation of annual program budgets. Practices associated with vegetative manipulation must be listed. This does not imply a detailed mapping requirement.

The applied prescriptions, their associated proposed and probable practices, and the anticipated changes (using MIH units of measure) the practices will bring about in each decade should be presented in a standard format for each management area. The prescription title and/or code from subsection IV.E.1. above will be used to describe the prescriptions which are applied.

The need to define where and when management practices are to be implemented in the subsection on Schedule of Proposed and Probable Practices is derived from Parts 219.11(c) and 219.3 of the Regulations. Part 219.11(c) calls for:

> "Multiple-use prescriptions and associated standards and guidelines for each management area incuding proposed and probable management practices such as the planned timber sale program, ..."

Part 219.3 defines Management Prescription as:

> "Management practices and intensity selected and scheduled for application on a specific area to attain multiple-use and other goals and objectives."

In combination, these parts have been interpreted to mean that management prescriptions are proposed and probable management practices scheduled for application on a defined management area. "Proposed management practices" are interpreted to include the practices (i.e. managment activities) which are planned for implementation in the first decade of the Plan. "Probable management practices" are those planned for implementation in the second decade. Intensity is defined by the number of practices and associated costs that are scheduled for application on a given management area over time. Hence, management prescriptions, as they are related to management areas in the Forest Plan, will show which management practices are scheduled for each management area in both the first and second decades. Which management practices are to be shown in the Plan should be determined at the Regional level.

The reasons for stating the major activities for the second decade are, the timber sale schedule and other activity schedules are on a continuous sliding 10 year period. As the Plan is implemented, probable managment practices will be added to the planned schedule each year. In the latter years of the first decade it is doubtful if we can add these second decade projects to the timber sale or other activity schedules if they have not been legitimized by stating our intent to do them in the second decade. The alternative would be to prepare an EIS on each second decade project.

3. Management Area Standards and Guidelines

The need to state the unique standards and guidelines by management area is derived from Parts 219.11(c) of the Regulations that states:

> "Multiple-use prescriptions and associated standards and guidelines for each management area incuding proposed and probable management practices such as the planned timber sale program, ..."

The inclusion of Resource Integration Requirements (Table of Contents IV.E.3.a(1)) is addressed in OGC Guideline I.B.4. which states:

> "If significant on the forest, each of the resources discussed in 36 CFR Part 219.13-219.26 must be addressed by standards and guidelines, management prescriptions, or other management direction in the Plan."

It is felt that the resource integration requirements will often be synonymous with the management standards and guidelines they will be associated with. Standards and guidelines complying with the selected prescription(s) will be listed for or keyed to each management area.

V. Implementation of the Forest Plan

The direction that this section provides is incorporated in three subsections under the headings of Implementation Direction, Monitoring and Evaluation Program, and Amendments and Revisions. Collectively, these subsections explain how management direction will be implemented, how implementation activities will be monitored and evaluated, and how the Plan can be kept current in light of changing conditions or other findings.

Both the structure and the titles of the contents in the Monitoring and Evaluation Program subsection are reflective of all the provisions of the NFMA Regulations which are noted in the Table of Contents (V.B.1. and 2.).

A. Implementation Direction

This subsection will address the subjects of consistency of other management instruments with the Plan, formulation of budget proposals, and environmental assessment needs in relation to projects.

Subject to valid existing rights, all outstanding and future permits, contracts, cooperative agreements, and other instruments for occupancy and use of lands included in this Plan will be consistent by a specific target date proposed in the Forest Plan. Existing plans that will be superseded or brought into compliance should be listed in an appendix.

Implementation Direction could be addressed as follows:

1. Budget Proposals

The Forest Plan provides the management direction for developing multi-year implementation programs. The Plan's scheduled practices, grouped as projects, are translated into multi-year program budget proposals which identify the needed expenditures. These processes complement the Forest planning process as vehicles for requesting and allocating the funds needed to carry out the planned management direction. The Forest's proposed annual program budget is the basis for the requested funding. Upon approval of a final budget for the Forest, the Annual Program of Work is finalized and carried out. The accomplishment of the Annual Program is the incremental implementation of the management direction of the Forest Plan.

2. Environmental Analysis

Future environmental analyses associated with the above processes will usually be tiered to the Forest Plan and EIS. Information appropriate for project related decisions rather than land use allocation decisions, will normally be utilized in such environmental analyses.

Projects and activities permitted within the Forest Plan will be subjected to environmental analysis as they are planned for implementation (refer to FSM 1952). If the environmental analysis for a project shows that: (1) the management area prescription and standards can be complied with and (2) little or no environmental effects are expected beyond those identified and documented in the Forest Plan Final EIS; the analysis will probably result in a categorical exclusion. A decision notice may be used to document the decision (FSM 1951). An analysis file and/or a project file will be available for public review, but this will not necessarily be documented in the form of an environmental assessment or environmental impact statement.

B. Monitoring and Evaluation Program

This subsection will describe how monitoring and evaluation requirements are to be met.

1. Monitoring

Under Monitoring, the requirements will address what is to be achieved through monitoring in providing for Parts 219.5(a)(7), 219.11(d), and 219.12(d),(k) as a minimum. The monitoring process will describe the monitoring activities and methods that are to satisfy the identified monitoring requirements. The actions, effects, or resources to be measured and the frequency of measurement for each of the actions, effects, or resources, including the proposed periodic intervals between measurements and the sampling schemes, and an estimate of the precision and reliability of the monitoring process will be stated.

Ongoing accomplishment reporting processes, such as PAMARS, annual attainment reports, etc., should be scrutinized and where appropriate incorporated into the monitoring process. The anticipated average annual expenditures for the first decade for monitoring activities should also be displayed for budgeting purposes.

The purpose and intent of the monitoring activity is to provide critical information for the evaluation of Plan implementation. Monitoring is not to do the inventory tasks. However, administrative reporting, where appropriate, may be considered a normal part of monitoring. Monitoring is to sense if the Forest Plan direction is being implemented and to determine, in conjunction with the evaluation, if that direction continues to be appr51rpiate.

2. Evaluation

Under Evaluation, the requirements will address what is to be evalauted in providing for Parts 219.12(k)(1),(2),(3),(5); 219.10(e)(g) and 219.7(f), as a minimum. Evaluation reports will contain evaluations and recommendations which address the identified evaluation requirements. The various processess and criteria which are associated with different evaluations and descriptions of how the monitoring information was utilized in coming to conclusions will be included in these reports. Recommendations to the Forest Supervisor will also be included, when appropriate. Such recommendations can be of the following types:

1. No action needed. Monitoring indicates management direction is being achieved,

2. Clarification of management direction needed. Monitoring idicates that management direction is being improperly applied due to a lack of clarity,

3. Amendment of management direction needed,

4. Evaluation not conclusive, additional study or information needed, or

5. Initiate revision of the Forest Plan.

How often evaluation reports are to be prepared and who is to recieve them will be documented under Reporting Frequency and Distribution (Table of Contents V.B.2.c).

The document file of the Forest Supervisor's decisions resulting from monitoring and evaluation is maintained for future use in amending or revising the Forest Plan. An annual evaluation report will be prepared and transmitted to the Regional Forester.

The IDT will be instrumental in both establishing the monitoring and evaluation program and in implementing it, as is required in Parts 219.5(a), (7) and 219.10(g).

C. Amendments and Revision

This subsection should include Parts 219.10(e),(f), and (g) in their entirety to provide information about the conditions that could lead to amendments and revisions.

An annual summary of Forest Plan amendments may be prepared and incoporated into the Plan as additions and made available to interested parties. This suggestion is to insure that the Plan will remain current, as is intended by the monitoring and evaluation, amendment, and revision provisions of the Regulations. It is suggested that the Regional Foresters establish an annual target date for the completion of these Forest Plan Amendment summaries.

A statement will also be included indicating the planned revision date of the Forest Plans suggested as follows: This Forest Plan will be revised when necessary but no later than (month, day, year).

VI. Glossary

This section should contain Forest Plan terms which need a common understanding or which have special meanings. The terms included in Part 219.3 which are used in the Plan will be part of this glossary along with their given definitions.

VII. Appendices

This section may contain supplemental information about the Plan which is explanatory in nature. All direction giving information will be contained in the main body of the Plan.

ATTACHMENTS

ATTACHMENT A: OGC Checklist for Review of Forest Plans

Superceded by 08/07/84 OGC Checklist

(Revised: 11-1-82; Citations to 36 CFR Part 219 are to the new revision appearing at 47 Federal Register 43037-43052 (September 30, 1982), effective (11-1-82)

I. FOREST PLAN

A. FORMAT - None specified, as long as content requirement are met.

B. CONTENT - 36CFR Part 219.11 is self explanatory and mandatory.

Point of emphasis:

1. The purpose of the plan document is to describe the management objectives and implementing management practices for the forest chosen as a result of the planning process, and the projected results of implementation. Detailed discussion of the planning process is inappropriate.

2. The projected acreage, volume location, and scheduling of timber sales must be displayed in some form. As a minimum, the proposed volume of timber scheduled to be sold each year for the first decade, for each management area should be shown. 16 U.S.C. 1604(f)(2), 36 CFR Part 214.11(c)

2a. Lands not suitable for timber harvest. 16 U.S.C. Part 1604(k).

3. The relative proportion of probable timber harvest methods projected to be used (clearcut, shelterwood, group selection, etc.) and reasons for selection must be displayed in some form. 16 U.S.C. Part 1604(f)(2), 36 CFR Part 219.15.

3a. Reasons for selection of other vegetation management practices (i.e., herbicides) must be displayed in some form. 36 CFR Part 219.15.

4. If significant on the Forest, each of the resources discussed in 36 CFR Part 219.13-219.26 must be addressed by standards and guidelines, management-prescriptions, or other management direction in the Plan.

5. Each of the managment requirements in 36 CFR Part 219.27 must be addressed by standards and guidelines, management prescriptions or other management direction in the Plan.

6. Be alert for erroneous statements regarding statutory and other legal requirements.

APPENDIX D

FOREST PLAN EIS REVIEW CHECKLIST

The following items are required in the environmental impact statement (EIS) accompanying the forest plan. They must appear in the EIS in the same order noted here. A checklist for development of the Record of Decision accompanying the final EIS and plan is also included. Items required for the final EIS are so noted.

Required Section	Page
COVER SHEET	D-1
TABLE OF CONTENTS	D-1
SUMMARY	D-1
CHAPTER I - PURPOSE AND NEED	D-2
CHAPTER II - ALTERNATIVES INCLUDING THE PROPOSED ACTION	D-3
CHAPTER III - AFFECTED ENVIRONMENT	D-9
CHAPTER IV - ENVIRONMENTAL CONSEQUENCES	D-10
CHAPTER V - LIST OF PREPARERS	D-10
CHAPTER VI - LIST OF AGENCIES, ORGANIZATIONS, AND PERSONS TO WHOM COPIES OF THE STATEMENT ARE SENT	D-10
CHAPTER VII - INDEX	D-10
APPENDIX A - ISSUES, CONCERNS, AND OPPORTUNITIES	D-10
APPENDIX B - DESCRIPTION OF ANALYSIS PROCESS	D-11
APPENDIX C - ROADLESS AREA EVALUATION	D-18
APPENDIX D - FOREST SERVICE RESPONSE TO COMMENTS (Final EIS)	D-19
RECORD OF DECISION (Final EIS)	D-19

COVER SHEET (40 CFR 1502.11).

In addition to the Council on Environmental Quality requirements, the Cover Sheet must include the name of the responsible official and an abstract of the preferred and other alternatives considered. The Cover Sheet is one page.

TABLE OF CONTENTS.

The Table of Contents, in addition to listing each chapter and section in the EIS also includes a listing of charts, diagrams, figures, and tables.

SUMMARY (40 CFR 1502.12).

This section summarizes the essential components of the EIS analysis in the same order as the parent document. The Summary should stress major conclusions, areas of controversy, issues raised by agencies and the public, the issues to be resolved, and the Forest Service preferred and range of alternatives analyzed. The Summary should be limited to 20 to 25 pages including the effective use of a few tables. It should be clearly written, complete, accurate, candid, and readable so as to invite review of the parent document. The Summary should contain the following sections:

A. Purpose and Need (Summary of Chapter I).

1. Introduce the document and the concept of the Summary.
   a. Identify the nature of the decision and EIS content.
   b. Explain role of both the draft and final EIS.
   c. State limiting factors such as regional guide supplements.

2. Describe the purpose and need for the plan and accompanying EIS.
   a. Relate the discussion to the NFMA and NEPA and their regulations.
   b. State that environmental disclosure is part of decisionmaking.
   c. State relationship between plan implementation and annual budgets.
   d. Identify conditions for plan amendment and revision.

3. Identify the public issues, management concerns, and resource opportunities (ICO's).
   a. Summarize purpose and process of ICO identification.
   b. State role of ICO's in defining the range of alternatives.
   c. State resource conflicts involved in the ICO's.
   d. Identify interest groups and institutions associated with ICO's.
   e. Identify indicators of response to ICO's and their measurements.

B. Alternatives Including the Proposed Action (Summary of Chapter II).

1. Describe the concept of alternative development.
   a. Identify minimum management requirements and other constraints.
   b. Define the decision space created through benchmark development.

2. Describe each alternative in terms of its goals and objectives.
   a. Identify the guidelines used to develop each alternative.
   b. Indicate quantitative targets and key land allocations.

3. Show how management areas apply the alternatives to the land.
   a. Establish the relationship between management areas and management prescriptions.

  - b. Present a table of acres by management area for each alternative.
  - c. Present a brief description of each management area.

4. Compare the alternatives with narrative and tabular displays.
   - a. Include a table that lists alternatives in decreasing amount of vegetative management and displays pertinent resource outputs.
   - b. Summarize economic tradeoffs between alternatives.
   - c. Briefly compare environmental effects of the alternatives.

C. Affected Environment (Summary of Chapter III).

1. Identify location and sphere of influence of the National Forest.

2. Present a brief overview of the environmental setting.

3. Describe the resource and environmental components to be affected.
   - a. Summarize physical and biological components.
   - b. Indicate supply and demand potential of appropriate resources.
   - c. Summarize economic and social components of the area.

D. Environmental Consequences (Summary of Chapter IV).

1. Present a summary of significant environmental consequences.

2. Discuss irreversible/irretrievable and short-term long-term impacts.

3. Briefly describe mitigation measures used in plan implementation.

CHAPTER I - PURPOSE AND NEED (40 CFR 1502.13)

A. Introductory paragraph describes nature of decision and EIS content.

1. Mention multiple use and sustained yield.

2. Briefly describe content to include statements that:
   - a. EIS discloses significant environmental effects
   - b. EIS considers alternatives including the preferred alternative.
   - c. EIS address ICO's

3. Note separation of EIS and Forest Plan and relate that plan is a result of the preferred alternative discussed in the EIS.

4. Note scope of planning horizon to indicate the long term implications of implementing the alternatives. Emphasize that Forest Plan will guide management for the next 10 to 15 years, unless conditions or demands change significantly.

B. Describe the linkages, legislative authorities, processes, and the perspective of national, regional, and forest planning.

1. Describe relationship to RPA and Regional Guide

2. Reference NFMA, RPA, and NEPA, and CEQ and planning regulations.

3. Briefly outline planning and environmental analysis process steps.

4. Provide local, regional, and national perspective.

5. Include statement on tiering to the EIS, Forest Plan, and associated documents. Also include, if appropriate, "adaption" and "referencing."

C. Overview of the Forest's location.

1. Provide a narrative description of the planning area (1-page map).

D. Public issues, management concerns, and resource opportunities.

1. Describe process used to identify issues, concerns, and opportunities. Provide cross-reference and explain relationship of this section to Appendix A.

2. Describe public issues, management concerns, and resource opportunities to be considered in the Forest Plan.
   a. Discuss significant interrelationships that reveal complexities of issue resolution.
   b. Reference segments of society most affected by the issue. Use general identity of interest groups.
   c. Identify key indicators for each issue that measure the degree of resolution.

3. Discuss resource use and development opportunities.

E. For final EIS, indicate changes between draft and final EIS.

1. Provide a summary of draft EIS public participation activities.

2. Reference public comment received and reference Appendix D for Forest Service response to comment.

3. Summarize changes in final EIS resulting from public comment.

4. Highlight new items of emphasis or controversy that developed as a result of the draft review and state how they were resolved.

F. Planning records and availability.

1. Describe planning records and state where they are available.

2. Note the presence and location of the glossary and other material that will help the reader more easily understand the documents.

CHAPTER II - ALTERNATIVES INCLUDING THE PROPOSED ACTION (40 CFR 1502.14)

A. The introduction should provide an overview of the chapter's organization. Cross-reference and explain the relationship of this section to Appendix B.

B. Alternative development.

1. The overview explains:
   a. Concept of net public benefit and its relation to alternative formulation.

   b. Concept of priced and nonpriced benefits and their use in decisionmaking.
   c. Basis for alternative development (36 CFR 219.12 (f)).
   d. Process used in formulating and analyzing benchmarks and alternatives.
   e. Relationship of Forest's management situation to supply and demand potentials.
   f. Response to the issues and concerns.
   g. Summarize changes made in alternative development between draft and final. This could include a discussion of sensitivity analysis done on timber, recreation, or wildlife valuing or on other questions about assumptions used to develop alternatives.

2. Description of the analysis process.
   a. Briefly describe the inventory process that resulted in the identification of land attributes, production potentials, and capability areas.
   b. Describe the process used to develop optional management objectives (prescriptions) and various management intensities.
   c. Describe the role of FORPLAN in selecting and scheduling management options. Indicate the degree of flexibility that FORPLAN has in reaching cost efficient solutions.

3. Summarize development and implications of minimum management requirements (MMRs).
   a. Reference 36 CFR 219.27 as basis for MMRs, and reference Cargill's 1920, February 26, 1982, letter requiring all benchmarks and alternatives comply with MMRs.
   b. Display a table showing timber and economic impacts.
   c. Summarize environmental consequences associated with MMRs.

4. Analysis of the management situation.
   a. Discuss in the introductory paragraph, the role and use of benchmarks in defining decision space.
   b. Describe process used in formulating and analyzing benchmarks (reference Appendix B for details).
   c. Explain how benchmark levels were used in formulating alternatives.
      (1). Describe constraints common to benchmarks including:
         (a). Reference to minimum management requirements.
         (b). Reference to Appendix B, Section VII.
      (2). Describe benchmarks and their purpose.
      (3). Provide a summary description of other benchmark runs that were variations of those discussed.
      (4). Make appropriate references to Appendix B.
   d. The analysis and/or results of the benchmarks should:
      (1). Analyze resources from a demand and potential supply perspective
      (2). Include PNV, discounted cost, and employment discussion.

5. The range of alternatives should discuss:
   a. Information used to develop alternatives.
   b. An adequate range of alternatives. For the final EIS, mention any changes made between draft and final pertaining to range of options.
   c. Decision space resulting from the analysis of the management situation for selected indicators of issue resolution.
   d. Constraints used to develop alternatives. Indicate modification to constraints in response to public comment.

C. Description of alternatives.

1. For the final EIS, include a summary of changes between draft and final noting changes in alternatives.
2. Describe alternatives elimated from detailed study and the rationale for elimination.
3. Insure alternatives considered in detail are presented in equal detail.
    a. Describe each alternative as follows, differentiating between design specifications and analytic results:
        (1). Alternative design specifications include:
            (a). Objectives to be achieved and response to ICO's including management concerns and resource opportunities.
            (b). Purpose, intent, or management emphasis in succinct terms. Mention changes between draft and final EIS.
        (2). Alternative/analytic results include:
            (a). Outputs, time frames, costs, benefits, and availability of acres for management.
            (b). Reference to mitigation measures in management prescriptions.
            (c). Reference to other parts of the document where additional or detailed information is available
    b. Explain the basis for the development and use of the required two "No Action" alternatives.
        (1). Reference 36 CFR 219.12 (f)(7) as the basis for the specification of the first "No Action" alternative.
        (2). Reference the NEPA requirement to use the "No Action" alternative as a basis for comparison against all alternatives.
        (3). Reference 36 CFR 219.12 (f) requiring all alternatives to be consistent with the MMRs.
        (4). Display timber production in terms of petential yield and historic sale and harvest level.
        (5). Define the current level of timber production as the projected amount of timber authorized for sale in previous plans (potential yield), as well as the amount actually sold and harvested.
        (6). Insure the distinction between the two "No Action" alternatives is clearly stated.
        (7). Describe those provisions of 36 CFR Part 219 that will not be met by this alternative.

D. Comparison of alternatives.

1. The following general comments apply to this section:
    a. Alternative comparison section presents the outputs, physical, biological, economic and social impacts, and discounted costs and benefits (PNV) in a way that sharply defines tradeoffs and provides a clear basis of choice among options by the public and the decisionmaker (40 CFR 1502.14).
    b. Changes between draft and final are summarized in the introduction. Changes in format or content should be in direct response to public comment.
    c. References to Chapters III and IV and Appendices are made where appropriate to substantiate conclusions in Chapter II.

2. Introduce and explain how to use the following tables:
   a. Management area allocations by alternative.
   b. Quantitative resource outputs by alternative and benchmark.
      (1). Order alternatives (columns) from most to least selected suitable timber land.
      (2). Arrange units of measure (rows) in logical groupings such as all recreation measures together.

3. Qualitative resource outputs and environmental effects.
   a. Should support quantitative table with discussion as needed to show key relationships.
   b. Column ordering should be identical to arrangement of alternatives in quantitative table.

4. Response to issues and concerns.
   a. Provide a cross walk between information presented in the preceding tables.
   b. Discuss, as needed, expected trends and relationships, given the ordering of alternatives in the tables.

5. The remainder of this section focuses on outputs for and environmental effects upon individual resources. Discuss significant variations by alternative and highlight unavoidable adverse effects when identified. Use the following headings, when appropriate, to build the comparison.
   a. Recreation - Provide a general orientation to the scope of recreation in the alternatives and introduce the ROS concept.
      (1). Dispersed recreation - Present the settings on the Forest and relate how the supply (capacity) compares with projected demand for each setting. Discuss or tabularly display differences in alternatives.
      (2). Developed recreation - Identify existing capacity and timeframe to meet projected demand. If additional development is planned, discuss specific site/timeframe.
      (3). Wildlife and fish user days - Indicate, by alternative, the response to demand over time.
      (4). Wild and scenic rivers - Identify wild and scenic river eligiblity as appropriate. Eligibility must be analyzed and suitability may be analyzed.
   b. Wilderness, recommended wilderness, and roadless areas.
      (1). Identify acreage recommended for wilderness by alternative. An alternative that assigns most or all roadless areas to wilderness should be analyzed.
      (2). A figure showing acres of wilderness, roadless, and roaded designations for the 1st decade is required.
      (3). A table showing roadless area inventory adjustments since 1979 is required.
      (4). A table showing wilderness recommendations for roadless areas by alternative is required.
      (5). A table showing management emphasis for roadless areas is required.
   c. Visual quality - Indicate acres of preservation, retention, partial retention, and modification.
   d. Research natural areas - Indicate recommendations by alternative.
   e. Wildlife - Provide the following listings:
      (1). Indicator species - Specify management emphasis by alternative.

- (2). Threatened and endangered species
  - (a). Note consultation with US Fish and Wildlife Service
  - (b). Note changes made between draft and final due to biological opinion from U.S. Fish and Wildlife Service.
  - (c). Ensure T & E situation is summarized and management efforts are discussed.
- (3). Provide a table on old growth indicating amount of old growth acres remaining after first and in 10th decade.

f. Fish - Discuss indicator species, habitat capability, and smolt production by alternative.

g. Range - Discuss planned use of the resource by alternative and the relationship to range capacity.

h. Timber harvest - Required tables/figures for timber harvest are displayed in both MMCF and MMBF for all decades.

- (1). The comparison of current and future timber outputs for all alternatives should:
  - (a). Explain the relationship between potential yield, actual timber sold (offered and sold, if significantly different), and timber harvest.
  - (b). Display potential yield, actual sell and harvest for at least these two time periods - average of FY '85 and '86 and the average of FY '76 through '85.
  - (c). Display projected allowable sale quantity (ASQ) and the timber sale program quantitiy (TSPQ) for all alternatives.
- (2). Discuss the differences between the current level of timber production and the projected output for all alternatives.
  - (a). Include explanations for differences in utilization standards, inventories/inventory standards, yield calculations and tables, land base acreage (both tentatively suitable and suitable acres), and changes in management requirements
- (3). Discuss the silvicultural methods available to the Forest and the use of methods across alternatives.

i. Soil and water - Insure the comparison:

- (1). Displays and discusses the sediment production potential in terms of the activities that generate sediment.
- (2). Includes a table displaying amounts of sediment producing activities for the alternatives, as indicators of their sediment production potential. Alternatives are ranked as to their relative risk of affecting watersheds. Differences among alternatives are discussed.
- (3). Indicates best management practices that:
  - (a). Mention that management practices will be used in all alternatives to carry out these activities to assure that they will accomplish Forest plan goals, one of which is to meet or exceed State water quality standards. Reference is made to glossary for definition of BMPs.
  - (b). Mentions the use of monitoring during project development to ensure meeting water quality goals and how adjustments will be made in projects where conflict with the goal is determined.

j. Minerals - Show mineral potential by land use categories.

k. Road System - Focus on road management and the differences among alternatives.

    - (1). Road construction should be separate from reconstruction.
    - (2). Express in narrative the distinction between planned decade 1 and projected out-year figures.
- l. Fire Management - Include a discussion of differences by alternative.
- m. Energy consumption - Include a table showing energy consumption by activity for the 1st decade in billion BTU's.
- n. Economic and social impacts - Follow 2/85 Department direction to combine the social and economic impact discussions. This section discusses economic impacts as well as social effects in the planning area. Impacts to Indian Treaty rights are discussed if appropriate.
    - (1). Include payments to counties.
    - (2). Include a display showing job and income change from 1980 or another base situation.
    - (3). Include a figure or table showing average annual returns to state/counties.
- o. Net public benefit and nonpriced benefits addressed in the alternatives
    - (1). Introduce concept of net public benefits and nonpriced benefits and the relation to PNV.
    - (2). Describe major nonpriced benefits and differences among alternatives.
- p. Differences in economic values among alternatives.
    - (1). Indicate differences in present net value through:
        - (a). A table showing present net value, present net benefits and costs, and changes between alternatives as ranked, starting with highest PNV. Narrative explains data in Table.
        - (b). Required table showing discounted benefits and costs for resource groups. Narrative explains data in table.
        - (c). Optional but suggested bar chart showing PVC and PVB in order of decreasing PNV for all alternatives.
    - (2). Comparison of U.S. Treasury cash flows and non-cash benefits. Provide a table showing average annual cash flows and non-cash benefits to the U.S. Treasury for decades 1 and 5. Include net receipts, total costs, total receipts, and noncash benefits to users. Use a narrative to explain the data in the table.
    - (3). Budget - Discuss and graphically display budget for decade 1.
    - (4). Indicate present value costs through an optional but recommended average annual cost figure and a bar chart showing PVC & PVB for all alternatives. Order alternatives by decreasing PNV.
    - (5). Indicate present value benefits by using a table or bar chart showing market and nonmarket benefits by alternative.
- q. Major tradeoffs among alternatives.
    - (1). Summarize relation of national, regional and local demand outlook to the Forest resources.
    - (2). Identify indicators that show how an alternative responds to issues, concerns, and opportunities in relation to economic values.
    - (3). Discuss differences and similarities of individual alternatives by:
        - (a). Providing a required table that displays foregone economic benefits and indicators of response to ICO's. Discuss the table.

(b). Discuss for each alternative, the economic tradeoffs involved with a comparison to the Max PNV benchmark.

CHAPTER III - AFFECTED ENVIRONMENT (40 CFR 1502.15).

A. Succinctly describe existing environment of the area(s) affected by the alternatives.

  1. Include areas within and outside the forest boundary.

  2. Description is commensurate with the importance of the impact, and is related to level of ICO's.

B. Physical and biological characteristics are described.

  1. Summarize significant existing resource inventories and conditions.

  2. Discuss resource supply potentials and projected future demands for resource outputs.

  3. Discuss historic costs and receipts associated with with timber sales and recent history of below cost sales on the forest. Illustrate situations where individual sales may not recover costs but contribute to economics efficiency objectives.

  4. Display the potential yield and actual volumes sold and harvested by year during the period that the existing plan has been in effect.

C. Social and economic characteristics are described.

  1. Present demographic and employment/income picture of the planning area.

  2. Identify who may potentially be affected, where they live, and how they may be affected.

CHAPTER IV - ENVIRONMENTAL CONSEQUENCES (40 CFR 1502.16).

A. Provide an introduction that states the purpose of the chapter.

B. State issues (activities) eliminated from further detailed study which have no significant environmental effects or are covered by previous environmental review (40 CFR 1501.7(a)(3).

C. Describe and compare environmental consequences associated with the alternatives.

  1. Respond to (40 CFR 1502.16 (a)-(h).
     a. Emphasize direct, indirect, and cumulative effects and their significance.
     b. Identify long- and short-term effects that may be adverse or beneficial.
     c. Identify possible conflicts between proposed actions and other Federal, Regional, State and local goals and objectives.

   d. Describe environmental effects (not merely outputs and dollar costs) of alternatives including the proposed action.
   e. Identify energy requirements and conservation potential of alternatives and mitigation measures.
   f. Identify non-renewable resource requirements and conservation potential by alternative and mitigation measures.
   g. Discuss urban quality, historic, and cultural resources.
   h. Discuss means to mitigate adverse environmental consequences not covered in Chapter II.

2. Discuss incomplete or unavailable essential information and how it is or will be addressed.

3. Summarize cumulative impacts of alternatives for the plan period. Include the social and economic environment as well as the biological and physical environment (40 CFR 1508.7).

4. Summarize the relationship between short-term use and long-term productivity.

5. Summarize irreversible and/or irretrievable commitment of resources.

6. Summarize probable adverse environmental effects that cannot be avoided.

D. Describe what mitigation measures are included in management prescriptions and what additional measures will be needed. Describe issue, activity, or consequence the measure is designed to mitigate. Provide information or references to support conclusions regarding effectiveness of mitigation measures and discuss how they will be monitored and evaluated.

CHAPTER V - LIST OF PREPARERS. This list should normally not exceed two or three pages. List each person's name, academic degree(s) and major(s), years of experience in planning, and the principle job completed.

CHAPTER VI - LIST OF AGENCIES, ORGANIZATIONS, AND PERSONS TO WHOM COPIES OF THE STATEMENT ARE SENT. Group recipients by Federal officials and agencies, Indian tribes, State officials and agencies, local officials and agencies, libraries, organizations, and individuals. Use names only. This chapter of the final EIS may be used to respond to public comment received on the draft.

CHAPTER VII - INDEX. Develop an index to provide page references to specific and important items in the body of the environmental impact statement.

APPENDIX A - ISSUES, CONCERNS, AND OPPORTUNITIES.

PART I. PROCESS.

A. Summarize the process steps used to identify public issues, management concerns, and resource opportunities.

B. List criteria used and describe the screening process used to narrow the scope of issues, concerns, and opportunities.

PART II. SELECTED ISSUES, CONCERNS AND OPPORTUNITIES

A. List issues addressed in the EIS and describe relationships among resources within and between issues.

B. Distinguish issues, concerns, and opportunities that are:

1. Deferred for resolution outside the Forest planning process.

2. Treated the same way in all alternatives.

3. Treated differently in the design of alternatives.

C. Describe the potential capability to respond to each ICO or to groups of ICO's both quantitatively and qualitatively.

1. Describe how issues, concerns, and opportunities were used to build alternatives within the range defined by benchmarks.

2. Ensure discussion reflects which of the ICO's are competitive and will require trade-off evaluation.

3. Define and discuss quantified indicators if responsiveness to issues, concerns, and opportunities lead to significant differences among alternatives.

PART III. CONSULTATION WITH OTHERS

A. List other agencies and Indian tribes contacted.

1. Describe, by agency and tribe, the number and nature of contacts.

2. Describe other agency and tribe plans reviewed and how plans were considered in the planning process.

B. List other consultations and contacts that were outside general public involvement activities and discuss the purpose, number, and nature of the contact.

APPENDIX B - DESCRIPTION OF ANALYSIS PROCESS

SECTION I. INTRODUCTION

A. Discuss the general planning problem and:

1. Describe the complexity and magnitude of the problem.

2. Describe the opportunity for analytical techniques to reduce the complexity and magnitude of the problem to manageable proportions.

3. Provide an overview of the process that devotes at least one paragraph to each step of the process.

B. Distinguish between the analytical phase of the process and the judgmental and execution phases. References where judmental and execution phases are located.

SECTION II. INVENTORY DATA FOR INFORMATION COLLECTION

A. Briefly describe concepts and how resource data was pulled together and utilized to:

1. Delineate basic capability areas.
2. Stratify the Forest into analysis areas.
3. Determine production coefficients.
4. Determine areas that are tentatively suitable for management practices.
5. Develop allocation and scheduling alternatives.
6. Monitor implementation.
7. Develop subsequent programs for plan implementation.

B. Summarize, reference, and describe sources of data used in analysis.

SECTION III. THE FOREST PLANNING MODEL (FORPLAN)

A. The overview should:

1. Provide an introduction to FORPLAN including basic concepts; i.e., analysis areas, prescriptions, coefficients, constraints, etc.
2. Explain how the prescriptions were developed and then analyzed in the models to provide a cost-efficient means of achieving objectives.

B. Explain the analysis process, including the analytical tools, and discuss:

1. Analysis prior to FORPLAN.
2. How FORPLAN was used in the analysis.
3. Analysis done in addition to FORPLAN model analysis and how cost-efficiency outside FORPLAN was considered in achieving objectives.

C. Present the process and criteria used in, and implications of, delineating the analysis areas. Discussion includes as appropriate:

1. Spatial differences related to production costs.
2. How inventory and data reliability influenced delineation of analysis areas.
3. Effects of computer model limitations on analysis area delineation.
4. Reporting needs by specific geographic area.
5. Need for output controls by area or time-frames based on legal or policy constraints.

6. Trade-offs made in determining the relationship of spatial issues to resource use and production issues; and rationale for determination.

D. Identification of prescription.

1. Overview presents the process and criteria used in (and the implications of) selecting management prescription used in FORPLAN. It should:
    a. Discuss the I/D Team process.
    b. Describe how prescriptions deal with 36 CFR 219.27 Requirements.
    c. Refer to research used.
    d. Discuss the process to insure an adequate range of prescriptions were developed and available (36 CFR 219.14(b)(c)).

2. Define for each category of prescription its purpose, criteria and assumptions used, and state how cost efficiency was considered in developing prescriptions.

3. Present a standard and guideline table comparing prescriptions. Discuss how each set of standards and guidelines varies between analysis levels.

4. Reference is made to planning records for more detailed presentation of prescriptions by analysis areas.

E. Significant timber forests summarize the process used to develop timber options for FORPLAN.

1. Identify criteria used to eliminate those timber options that were not included in the model.

2. Discuss the role and use of economic efficiency in the development of timber options.

F. Describe the process for developing yield coefficients for FORPLAN, including but not limited to a description of simulation models that were used.

SECTION IV. ECONOMIC EFFICIENCY ANALYSIS

A. Describe present net value (PNV) including what it means, what it includes, and what it does not include. Explains major assumptions used in cost-efficiency analysis of alternatives including: prices and costs along with sources of estimates.

B. Identify parameters such as interest rates (discount), and base year dollars.

C. Discuss costs in the following manner:

1. Describe costs in FORPLAN.

2. Describe costs applied outside of FORPLAN.

3. Describe real cost increase/decrease.

4. Distinguish between capital investment and operation and maintenance costs.

5. Identify costs that do not vary significantly by alternative.

D. Discuss Benefits/Values

1. Identify and describes priced and non-priced benefits.

2. State the point at which the benefit is realized for those benefits given dollar value.

3. Describe benefits in FORPLAN.

4. Describe benefits considered outside of FORPLAN.

5. Distinguish between economic values that are collected as cash receipts and economic benefits received by users without payment.

SECTION V. SOCIAL AND ECONOMIC IMPACT ANALYSIS

A. Provide an overview.

B. Identify sources of data.

C. Describe information generated from analysis. Narrative discussion should include the categories of social variable in FSH 1909.7 such as lifestyle, attitudes, beliefs and values, social organization, land use patterns; and civil rights.

SECTION VI. ANALYSIS PRIOR TO DEVELOPMENT OF ALTERNATIVES

A. The introduction provides a narrative description of the analysis prior to development of alternatives.

B. In development of minimum management requirements (MMR's):

1. Identify MMR's and explain how and why they were developed. Include appropriate references to background data used in development.

2. Identify modeling constraints necessary to meet MMR's and explain why constraints are needed.

3. Provide assurance that the constraints used to meet MMR's are not compounding.

C. Discuss for each benchmark analysis:

1. The purpose and objectives of analysis including:
    a. Exploration of maximum economic and biological resource use and development opportunities.
    b. Evaluation of capability to produce priced and non-priced objectives.
    c. The ability to respond to major issues and concerns.

2. The definition and purpose of the objectives of each benchmark.

3. The definition of the constraints used to accomplish the objectives, including applicable time periods.

4. Assumptions used relative to demand, monetary values, and MMR's (36 CFR 219.27).

D. The benchmark analysis should:

1. Describe, for each modeling constraint or set of constraints, the change in PNV for each benchmark using assigned values and with a PNV objective, and the changes in first period production.

2. Describe calculations for both Max PNV benchmarks unconstrained by culmination of mean annual increment (CMAI). This applies to timber significant Forests only.

3. Describe recalculation of Max PNV benchmarks further constrained by non-declining yield (36 CFR 219.12(e)(1)(iii)(c)) and identify differences based on recalculation in: PNV, quantities of timber produced during each period within the planning horizon, and other outputs and conditions that are significantly affected. This applies to timber significant Forests only.

E. Discuss the significant relationships in the production of market and nonmarket outputs between the two Max PNV benchmarks.

F. Summarize the results of each of benchmark in terms of:

1. Resource outputs and effects.

2. Total discounted costs and total discounted benefits.

3. PNV

4. Acreage of prescription assignments.

5. Economic impact on employment income.

SECTION VII. NARRATIVE DESCRIPTION OF THE FORMULATION OF ALTERNATIVES

A. Ensure the introduction:

1. Defines alternative.

2. Lists and discusses requirements of 36 CFR 219.12(f) and Chief's direction.

3. Describes the process used to derive alternatives in terms of their relationship to ICO's (References Appx. A, Sec III) and the iterative analysis process including:
    a. Analysis performed.
    b. What was learned from the analysis.
    c. How information was used to adjust the next sequential analysis

   d. Potential capability to respond to each ICO or groups of ICO's to develop alternatives within the established decision space.

  4. Identifies what was done to assure cost efficient solution.

B. Describe constraints common to all alternatives.

  1. Identify each constraint.

  2. Describe the purpose of the constraint.

  3. Describe rationale for the constraint.

C. Describe development of each alternative.

  1. Identify purpose of the alternative.

  2. Identify criteria and assumptions used.

  3. Discuss relationship between ICO's and benchmarks in terms of how they affected the design of the alternative.

  4. For each constraint or set of constraints:
     a. Identify the constraint or set of constraints needed to satisfy 36 CFR 219.27.
     b. Indicates if it is a common constraint or an additional constraint.
     c. Describe its purpose and discuss why it is considered necessary to accomplish goals and objectives.
     d. Explain how the constraint sets were used in a cost-effective way.
     e. Display for each constraint or set of constraints the change in PNV, the total discounted costs of principal resources, and total discounted benefits of principal resources.
     f. Reference catalogue of constraints developed in benchmark section.

  5. Summarize process used to develop alternatives. Reference sequential, incremental analysis process documented in the process records.

  6. Describe departure and CMAI analysis and explain how departure or CMAI limits were established.

SECTION VIII. ESTIMATING EFFECTS OF BENCHMARKS, DISCRETIONARY CONSTRAINTS AND ALTERNATIVES

A. The introduction describes the purpose of identifying, estimating, and displaying the effects of each benchmark, discretionary constraint and alternative.

B. Explain the process by which constraints having a significant effect on outputs or PNV were tested to ensure they were the most cost efficient in achieving the objectives of each alternative.

  1. Describe sensitivity testing that was done.

  2. Identify significant opportunity costs of constraints associated with achieving alternative reource objectives.

3. Identify opportunity costs of constraints associated with resource outputs or conditions not assigned monetary values but are supplied at specific levels.

C. Analyze trade-offs among alternatives.

1. Define the consequences of each alternative in respect to:
   a. Responses to each major ICO or groups of ICO's.
   b. Resource outputs.
   c. Social effects including civil rights.
   d. Economic effects.

2. List alternatives in order of increasing discounted costs and in order of decreasing PNV. The cost above the next lower cost alternative must be displayed along with the associated change in total discounted benefits and change in PNV.

3. Display benchmarks and explain reasons for PNV change. Added costs or benefits need not be determined or displayed.

4. The following is determined and displayed for each benchmark and alternative:
   a. Present net value
   b. Total discounted costs.
   c. Total discounted benefits.
   d. The contribution to total discounted benefits of each priced output.
   e. The distribution of discounted costs by major input cost categories.
   f. The specific reasons accounting for significant differences in PNV between the PNV assigned value benchmark and the alternative.

5. Compare each alternative and display:
   a. Differences in total discounted benefits.
   b. Reasons for differences in discounted costs.
   c. Differences in the achievement of goals and objectives, or non-priced benefits, not fully reflected in PNV.

6. Discuss the factors primarily responsible for differences in the resolution of the ICO's.
   a. List and describes each effect estimated.
   b. Reference the appropriate tables and graphs for each effect.

D. Analyze constraints within alternatives.

1. Describe the set of objective reflecting the response of each alternative to ICO's. Include:
   a. Model constraints to achieve objectives.
   b. Progressive results for each set of constraints applied and ensure the rationale for each constraint is listed. A chart is used to:
      (1). Show constraints added or changed from one step to the next and the resultant differential changes.
      (2). Indicate the changes in outputs/effects and their associated discounted costs and discounted benefits.

2. A chart is provided for each alternative examined in detail in the DEIS that identifies and describes the individual constraints that have the most significant effect on PNV.

APPENDIX C. ROADLESS AREA EVALUATION

A. This appendix is to comprehensively describe the unique characteristics and wilderness features of each roadless areas.

B. Describe the qualities of the roadless area as wilderness:

1. Assess qualitative characteristics i.e., increased opportunity for solitude, ecosystem retention, opportunities for primative recreation, etc.

2. Discuss the effect of size of the area on wilderness qualities.

C. Discuss the impact of nonwilderness designation upon the area's wilderness characteristics and qualities.

D. Describe the unique characteristics and wilderness features for each roadless area.

1. Provide an overview to include:
   a. Roadless area name and number of acres.
   b. Location and access
   c. Geography
   d. Topography
   e. Vegetation including the Ecosystem type(s)
   f. Current uses (including RVD's) and condition
   g. Appearance, surroundings, and attractions

2. Discuss the areas capability for wilderness by addressing the following characteristics:
   a. Managability and boundaries including mitigation by boundary change and the effect of size
   b. Natural integrity and appearance
   c. Opportunities for solitude and primitive recreation, including challenging experiences
   d. Special features such as rare and endangered species and other wildlife along with historical and scientific study.

3. Indicate the availability of the area for wilderness and/or other uses by describing:
   a. Tradeoffs with other uses
   b. Potential for recreation, wildlife, water, grazing livestock, timber, mineral, and cultural resources
   c. Management considerations for fire, insects and disease, private lands, and land use authorization.

4. Identify the perceived need for wilderness through a discussion of:
   a. Proximity to other wilderness and use made of the areas.
   b. Distance from population centers
   c. Public input, scoping results, and interest by proponents, including Congressional
   d. Need for specific land forming ecosystem, or other significant feature presentation/representation.

5. Describe the potential environmental consequences of both a wilderness and nonwilderness recommendation.

APPENDIX D. FINAL EIS

This appendix contains Forest Service response to comments received on the draft EIS. Refer to 40 CFR 1503.4 and Chapter 42.5 of FSH 1909.15 for examples of how to comment.

RECORD OF DECISION

A. The purpose of a Record of Decision (ROD) is to describe a rational basis for the decision being made. It should:

1. Summarize the basis and need for the decision.
2. Rewritten in non-technical language of no more no more than 20 pages.
3. Reference specific pages of the plan and final EIS to avoid repetition.
4. Inform readers how to get copies of any forthcoming amendments and revisions of the plan.

B. The Regional contents of the Record of Decision are as follows. The order in which contents are listed may be changed and topics may be combined as long as it meets the requirements of 40 CFR 1505.2.

1. A table of contents is required for a long ROD. However, it may be omitted, using bold headings and subheadings instead if the ROD is only a few pages.
2. The Decision.
   a. State the decision to be made.
   b. Describe what is being decided and what is not being decided.
   c. Establish the management framework of which the plan is a part.
   d. Explain what the plan is and is not.
   e. Add specific comments unique to this plan.
3. Alternatives and Issues Considered.
   a. Describe concisely all major issues identified in the draft EIS and note new issues identified from public comments.
   b. Summarize all alternatives considered, referring to the more detailed descriptions in the final EIS when appropriate.
   c. Summarize or emphasize public involvement.
   d. Describe how any alternatives from the draft EIS changed because of the public involvement and note new alternatives developed for the final EIS as a result.
   e. Refer to the coments/response in Appendix D and Chapter 2 of the Final EIS for details on responses to alternatives and issues.
4. Rationale for the Decision.
   a. Describe management concerns and all factors (economic, technical, national policy, etc.), regulations, and laws relevant to the decision.
   b. Describe methods used to consider the various issues and interests and how they balanced with all other factors, laws, and regulations.
   c. Where appropriate to explain the rationale, refer to specific pages of the FEIS.

   d. It is mandatory to identify the environmentally preferred alternative(s).
   e. The ROD must compare the selected alternative (which maximizes net public benefits) to any alternatives considered and identified as environmentally preferable (36 CFR 219.12(j)(1)) by summarizing:
      (1). The difference between the environmental effects or outputs likely to occur with implementation of environmentally preferable alternatives and the selected alternative.
      (2). The objectives of the selected alternative in terms of priced and nonpriced outputs and/or responses to public issues that would not likely occur with implementation of the environmentally preferable alternative(s).
      (3). The major tradeoffs or differences between (1) and (2), expressed in economic, environmental, physical, and/or other appropriate quantitative and qualitative terms.
      (4). Why the selected alternative is expected to provide greater overall net public benefits than the environmentally preferable alternative(s).
   f. Identify the present net value (PNV) of the selected alternative.
   g. Compare the selected alternative to all other alternatives having a higher PNV (36 CFR 219.12(j)(2)) by summarizing:
      (1). The difference between the net value and mix of priced outputs likely to occur with implementation of alternatives having a higher PNV and the selected alternative.
      (2). The objective of the selected alternative in terms of priced and nonpriced outputs and/or responses to public issues that would not likely occur with implementation of alternatives having a higher PNV.
      (3). The major tradeoffs or differences between (1) and (2) expressed in economic; environmental, physical, and/or other appropriate quantitative and qualitative terms.
      (4). Why the selected alternative is likely to provide greater overall net public benefits thant the alternatives with a higher PNV.
   h. Identify all areas that have captured significant public interest and briefly describes how the plan proposes to manage them.

5. Mitigation and monitoring.
   a. Concisely summarizes the mitigation measures and indicate the likelihood that such measures will be adopted or enforced. If all practicable measures were not taken, explains why not (40 CFR 1505.2(c)). Reference the mitigation measures, minimum management requirements, forestwide standards and guidelines, and specific management prescriptions in the plan.
   b. Briefly describes the monitoring program and its purpose. State that the Forest Service uses the data gathered by the program to:
      (1). Update its inventory data
      (2). Improve future mitigation measures
      (3). Assess the need for amending or revising the plan.

6. Implementation.
   a. Briefly describe the implementation schedule and note how often it is to be updated (FSM 1922.51).
   b. Emphasize any aspects of implementation that received special public attention or require clarification.

    c. Reference the most recent regional or national policy on below-cost timber sales and note the differences between sales policy and suitability determination if applicable.

7. Appeal Rights.
    a. State appeal rights and associated time periods.
    b. Clarify areas of confusion regarding appeals and their consequences.